The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, MAY 28, 1932 VOLUME 60, NUMBER 13

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

ADMIRAL SAITO FORMING NEW JAPANESE CABINET

The new Japanese Cabinet was completed May 25, with the following members:—Premier: Admiral Viscount M. Saito, (who will act also as Foreign Minister); Army: General S. Hayashi; Navy: Admiral: K. Osaka; Finance: K. Takahashi; Home Affairs: Baron T. Yamamoto; Commerce & Industry: Baron K. Nakajima; Railways: C. Mitsuchi; Overseas Affairs: R. Nagai; Education: I. Hatoyama; Justice: M. Koyama; Agriculture & Forestry: E. Goto; Communications: H. Minami.

OWING to the opposition of the military-Fascist groups in Japan to a Cabinet on party lines, the formation of a new Cabinet is proving to be a most difficult matter. A start was made on May 22 when Admiral Viscount Makoto Saito, formerly Governor General of Korea, was summoned to the Imperial Palace at Tokyo and entrusted with the task of forming a new Cabinet. Admiral Saito is 74 years of age and has had a distinguished career. He is persona grata to the military clique. He represented Japan in 1927 at the Geneva Naval Conference. The appointment of Admiral Saito is attributed to the recommendation of the aged Genro, Prince Saionji. The appointment of Admiral Saito, according to *Reuter* telegrams from Tokyo, has had a reassuring effect in Japanese business and financial circles.

Advices from Japan indicate that the new Premier will try to make his Cabinet a "national" one, somewhat on the same lines as the coalition cabinet at present functioning in Great Britain. Mr. Takahashi, the present Minister of Finance, has been asked to continue in office. Baron Wakatsuki, of the Minseito, a former Premier, had been asked to take a post in the new Cabinet, but he declined, recommending in his stead Baron Yamamoto, adviser to the Minseito. Mr. Suzuki, president of the Seiyukai, will also probably hold a seat in the new Cabinet. Lieut.-General Araki, the present War Minister, has expressed his intention not to remain in the next Ministry. As a result of this decision, it is likely that either General Jiro Minami or Lieut.-General Masaki, Vice-Chief of the General Staff, will be appointed as War Minister.

The military-Fascist group is apparently being strongly supported by the farmers and small merchants' class in Japan, and their influence is being exerted in connection with the formation of a Cabinet. One of the tasks which the new Cabinet will have before it is the alleviation of the economic distress which is at present very acute in the rural districts of the Island

Empire. The small farmers have an organization known as the Peasants' Forlorn Hope, and they are not above engaging in "direct action" to enforce their demands. One of their number threw a bomb into the Tokyo Electric station at the time of the assassination of Premier Inukai. He has since surrendered himself to the Police.

One of the most difficult tasks of the new Government will be to decide on the policy to be adopted in relation to the various groups of terrorists that are at present operating in Japan. The three principal groups, although apparently separate organizations, are evidently closely co-operating with each other. They are: The Blood Brotherhood, which is the one that murdered Mr. Inouye and Baron Takuma Dan; the Junior Officers' Group, which murdered Mr. Inukai, Prime Minister, recently; and the Farmers' Death Band, which is the one that bombed three electric transmission sub-stations on May 16. The total strength of each group is reported to number approximately as follows: Blood Brotherhood, 300; Junior Officers, 120; Farmers Death Band, 300.

An almost forlorn call for the expulsion of Fascism was sounded by the ministerial party, (Seiyukai), at a mass meeting of the Diet Members of the party held at the party headquarters at Tokyo May 21. Mr. Suzuki, the new President of the party, delivered an address in regard to the determination and attitude of the party.

Referring to the political situation in Japan as a result of the recent Tokyo outrages, Mr. Niu Yung-chien, Vice-President of the Examination Yuan, at Nanking, May 20 said that if the Japanese militarists get a dominant control, Japanese policy in the Far East would be further stiffened and the possibility of another world war breaking out in the Pacific would have to be faced. In such a contingency, China would inevitably be compelled to make a supreme effort. He believed however that whether China should be victorious or suffer defeat in such a struggle, she would emerge a stronger nation while on the other hand, victory, no less than defeat, would sound the death-knell of Japan.

JAPANESE ARREST THE HEARST CORRESPONDENT AT HARBIN

EDWARD Hunter, well-known American correspondent in Peiping, who has represented Hearst's *International News Service* in Manchuria for many months was arrested by the Japanese authorities in Harbin on Saturday, May 21. According to a report which appeared in *The Sin Wan Pao* on last Sunday, the Japanese charged Mr. Hunter with "instigating reactionary activities" among the Chinese police who were stationed at the Moderne Hotel for the purpose of guarding the League Commission. Immediately following Mr. Hunter's arrest he was turned over to the American consular authorities and according to report he remained at the U. S. Consulate for some time pending a hearing of the charges against him in the American consular court which is presided over by George Hanson, U. S. Consul-General. The specific charge against Mr. Hunter was not clear from the news report which merely stated that "armed Chinese police nominally attached to the Manchukuo puppet government but actually taking their orders from the Japanese greatly disapproved of Mr. Hunter's actions," and ordered his arrest. Mr. Hunter's arrest was witnessed by several members of the Lytton Commission. Immediately following the arrest the Japanese greatly increased the police guards about the hotel, alleging that Mr. Hunter's actions were in disregard of the regulations which the Japanese had adopted for the protection of the League Commission. Mr. Hanson, the American Consul immediately came to the hotel following news of Mr. Hunter's arrest and gave his consent to an official inquiry into the charges against the correspondent. It appears that Mr. Hunter had been residing at the Moderne hotel for a considerable period.

Mr. Hunter is the second foreign correspondent to have complications with the Japanese in Manchuria, the other being Editor Bartels of the *Deutsch-Chinesische Nachrichten*, German daily in Tientsin. According to a report which appeared in the *Manchuria Daily News*, Japanese official organ in Dairen, Mr. Bartels' writings were considered "undesirable" by the new Manchukuo state, hence he was warned to depart from Mukden immediately under threat of arrest and imprisonment. Mr. Bartels did not contest the charges but departed immediately for Tientsin, traveling by way of Dairen.

Last fall the Japanese military authorities at Mukden placed one of the American correspondents whose writings they did not like, under surveillance and caused him considerable embarassment by delaying and censoring his telegrams and mail, but the foregoing are the first cases of actual Japanese interference with the activities of foreign correspondents.

IN INTEREST OF POST OFFICE OR INTEREST OF PUBLIC?

THOSE who organized the present postal strike have managed to arouse considerable sympathy for their cause on the grounds that they are trying to protect the Post Office against the politicians. The general public cannot be expected to know much about the technical matters involved in the operation of the postal savings bank or the air-mail service, and while the public is interested in the controversy which has been waged over increased postage rates, the outstanding element in the strike is that it has little or nothing to do with the pay of the postal workers who, because of their strong union, are the best paid workers in China. Boiled down to essentials the postal employees claim they are trying to protect the post office as an institution against control by the government of the country. Therefore, the strike of postal employees amounts to an organized rebellion against the government. In other words, the postal employees are not particularly interested in the public which is served by the post office, but are trying to protect the post office as a little independent bureaucracy within the government. As stated, we know little or nothing about the technical matters involved in the operation of the postal savings bank, whether it should be operated inside or outside the Post Office, but the managers of the bank have presented figures showing that the opera-

tion *outside* the post office has led to increased deposits and service. As to the air-mail service, it obviously is expensive, but it is an invaluable service to the public which must be maintained if China is to keep abreast of other countries. It seems to us that the striking postal employees in their attempts to "protect" the post office have completely overlooked the real purpose of the Post Office, which is service to the public. The postal employees in putting over their strike have completely ignored the interests of the public and if the strike continues for a considerable period it is bound to result in serious if not irreparable damage to the Chinese postal administration. This is obvious because the public will not stand for a long postal strike. The Shanghai Municipal Council is already beginning to handle foreign mail and it will not be long before the various foreign communities will be following a similar course—somewhat along the lines they followed before the abolition of foreign post offices. In putting over their strike the misguided postal employees are playing into the hands of those who would make Shanghai "independent" of the rest of China. The promoters of the various schemes for creating an "independent-city-state" at Shanghai must be chuckling with glee because their plans have received a great boost as a result of the postal strike. It may be true that the Nanking politicians are meddling with the postal administration, but if this meddling has resulted in the development of a nation-wide air-mail service, then let us have more meddling. For many years the Chinese Post Office, operated almost entirely by foreigners, was regarded as a little private corporation and was operated on the principle of the "public be damned." Since the Chinese Government regained postal autonomy the tendency has been in the direction of democratization and increased service to the public. Now the postal employees are trying to revert to the old system and they are bound to fail, because, as stated the public will not stand for a long postal strike, particularly when it is not concerned with the pay and welfare of the workers but amounts to an obvious rebellion against the recognized government of the country.

FUKIEN COMMUNISTS THREATEN AMOY

FOR some weeks past the news from Fukien province has indicated that the communist menace in that part of China has been growing. The point has now been reached where the city of Amoy is in danger of being attacked by them, and the situation has become so serious that a recent telegram from Washington indicated that the U. S. State Department had authorized the landing of bluejackets at Kulangsu (the legal name of the foreign Settlement at Amoy) from the patrol boat *Tulsa*, provided that other foreign powers concerned acted similarly. Incidentally also the 19th Route Army troops, which took part in the defense of Shanghai against the Japanese, received orders during the week from the Military Council to proceed immediately to Fukien in order to tackle the bandit menace in that province.

The communist troops now in Fukien are reported to be grouped into two army corps, both seeking to capture Amoy after occupying Foochow and other cities in the southern part of Fukien province. General Chu Teh is in command of the 1st Corps of these Red troops, and plans to capture the cities of Changting, Lungyen, and Changchow, then march toward the southern coast of Fukien, and push northward toward Foochow. The 2nd Corps is headed by General Peng Teh-hui. This unit is scheduled to start from Yenping toward Foochow, and then invade Amoy. If the Fukien Government forces attack the 2nd Corps, the 1st Corps is to strike the Government troops from the rear. General Lin Chih-yuan, Acting Governor of Fukien province, is reported to be conferring daily with the commanders of the Government forces to work out a scheme whereby the communists can be repulsed.

According to despatches received here from Canton, General Chen Chi-tang has ordered his troops which were engaged in the red-bandit suppression campaign at Kiangsi to return to Kwangtung and hold themselves ready for an advance to Fukien Province. General Chen's decision in the above regard, it is understood, comes as a result of the fact that the majority of the red bandits in Kiangsi met a number of reverses at the hands of General Chen's troops and are now retreating into Fukien.

According to reports received from Foochow, the communist troops now active in various parts of Fukien province number fully 60,000. A Soviet government has been established at Liuyen, whence the Red leaders plan to spread their influence all over the province. The neighboring towns and villages are being slowly transformed into Soviet communities, while students and soldier-recruits are being mobilized to propagandize communistic ideas among the people. In connection with the proposed occupation of Amoy, the Communist generals are using fishermen and refugees as "pienyitui," armed with revolvers, who are sent into the city of Amoy and Kulangsu to prepare the ground for the expected occupation. Most of these advance guards are stated to have been captured by the troops garrisoning the city.

The main body of the Communist forces now in control of Changchow are stated to have belonged formerly to the 12th Red Army and was once in control of Yungting and Hangchow and places near Shanghai. These Reds were driven away in 1930 by the 49th Division of the Chinese Army. In addition to this unit, the communist troops now in Fukien consist of soldiers under command of General Mao Tse-tang and General Sung Lien-ching.

One of the incidentals to Red activities in North Anhui was the carrying away by Communist-bandits of the Rev. H. S. Ferguson of the China Island Mission at Chengyangkuan on May 12. Mr. G. Graham, British Vice Consul at Nanking, whiely journeying to the Communist camp to secure the release of Rev. Ferguson was shot and wounded by Chinese soldiers near Pengpu. Pressure brought by the British authorities on the Chinese military authorities had its eventual effect and Mr. Ferguson was released end of last week. He has arrived safely at Pengpu.

The Chinese police at Changsha recently arrested 50 communist leaders following a raid upon the communist headquarters in that city.

These communists are believed to have entered Changsha from Shanghai.

The march of General Ho Chien's troops to Jucheng, Kueitung, and other radical centers, in Hunan province, resulted in a general retreat of Red forces to Kiangsi province. In the course of their retreat, according to Japanese press reports, the communists looted and carried away opium to the value of 400,000 dollars in consequence of which the money exchangers, banks, and other merchants of Hunan have been suffering heavily, some going bankrupt.

Acting upon instructions from the Ministry of Education at Nanking, the Shanghai Municipality's Bureau of Education, according to the Chinese newspapers, has sent out to all the schools under its jurisdiction orders to watch out for communist agitators.

JAPANESE CONTINUE WITHDRAWAL---DIRECT TRAIN SERVICE RESUMED

THE Japanese army authorities have continued during the week the process of withdrawing their troops from the Shanghai area. The schedule as previously announced has been fairly well followed. The Japanese army forces completed their evacuation of Szetszlin (Lion Forest) Forts on the forenoon of May 24, when members of the newly arrived Police Force from Peiping several hundred strong marched in to take control. On May 25 the Japanese evacuated the Woosung Forts, where similarly Peiping police took over control. The damage in the Woosung area is estimated at four million Mexican dollars. Japanese troops will remain in the Woosungchen area east of the railway in accordance with the peace agreement concluded May 5. Three other areas in Yinghsiangkiang, Kiangwan, and Chapei districts also are still being occupied by the Japanese although the surrounding districts had been restored to the Chinese. While the agreement stipulates that they may stay there for six months, there are indications that the Japanese authorities will return these areas to the Chinese before the middle of June. Japanese transports laden with troops, artillery, aircraft and supplies have been leaving Shanghai and Woosung almost daily during the week, the announced destination being Japan.

Chenju was handed over to the Chinese by the Japanese 10 a.m. May 23, when documents were signed by the Chinese and Japanese representatives. Shortly afterwards, 72 Chinese policemen moved into the district for patrol duties. About 300 men of the Japanese Ninth Army Division gathered in the campus of the Chenju University for a final inspection by the Japanese officers. They later boarded motor trucks and started for Chapei. The area of Chapei was evacuated in the afternoon. Besides the high officers of the Japanese naval landing party and members of the Chinese committee to take over the evacuated area, the American, British, and Italian members of the Joint Commission, Chinese and Japanese Press representatives, Lt.-Colonal K. Harada, the Japanese military attache, Lt.-General Wen Ying-hsing, Chinese member of the Commission, and others were present at the ceremony which took place at an educational establishment on Yingshing Road. Mr. Huang Ming, commanding the battalion of Chinese special police, and Lt.-Commander Mori, commander of the 1st battalion of the naval landing party, affixed their signatures to the document certifying the evacuation. Following the signing of agreement the Japanese bluejackets withdrew to points east of the Hongkew Creek.

With the evacuation of the Japanese troops from Chenju and Chapei, the Chinese railway authorities speeded up repairs to the tracks between Shanghai and Nanziang. The repairs to the main line between Shanghai North Station and Nanziang were completed on the afternoon of May 23 . After an experimental service had been run over the track between North Station and Soochow, the authorities announced that a skeleten service would be resumed. Accordingly the service between Shanghai and Nanking commenced May 24. Traffic was resumed at 11 o'clock that morning when the first train left North Station for Quinsan and Nanking. An express left in the afternoon, while other trains arrived at Shanghai from Nanking.

The Japanese press service announced May 24 that the headquarters staff of the Japanese Expeditionary Forces in Shanghai were expected to leave Shanghai early next month. It was indicated that a portion of the air forces attached to the Expeditionary Forces probably would be the last unit of the Japanese Army to leave Shanghai. With the gradual restoration of normal conditions the Third Japanese Fleet will also, most likely, be ordered to sail for its home base, the cruiser *Idzumo*, flagship, carrying back Admiral K. Nomura, the Commander, and his staff.

***

Commenting on the decision to withdraw the Japanese troops at Shanghai within a month, the *Manchester Guardian* in its issue of May 13 stressed the "plaintive" nature of the announcement at Tokyo that Japan "fought the battles of other nations at Shanghai and only gained world odium." The journal asks what has been gained by the warfare, the aimlessness of which, it says, was obvious. "Japan," the journal declares, poured out money, thousands of Chinese are now homeless, many buildings have been destroyed and the most inhuman acts committed, all resulting in the Chinese and Japanese hating each other more bitterly—and the distracted world has been made aware of one other potential source of trouble."

A comment in another vein was furnished by Mr. Wilson Harris in the *London News Chronicle*, as follows: "The Japanese are not going to retire their troops if that evacuation is to be followed by anarchy. At Shanghai, not only Japan, but a dozen other Powers are going to ask guarantees of peace and order for the future. It is, therefore, necessary to make decisions on the future of the Settlement, undoubtedly on the basis of the Feetham Report. But it is not the Nanking Government, continually menaced by rival governments, which can guarantee to maintain law and order in Manchuria and Shanghai. It is certain that if China cannot assure order in the country, the other powers will be led to take her place."

LEAGUE ENQUIRY COMMISSION COMES BACK FROM MANCHURIA

THE League of Nations Commission of Enquiry is on its way back from Manchuria. It did not get as far as it wished to, for instance it did not get the opportunity to interview General Ma Chan-san of Nonni River fame, as the Soviet government refused permission to the Commission to pass through Soviet territory to make the visit, and that was the only way the Commission could reach General Ma, who is at present at Taheiho, the Chinese town opposite Blagovestchensk on the Amur, or as it is known by the Russians, Sakhalan. The nearest route from Harbin, from which point the Commission made its application to the Soviets, would have been by way of Tsitsihar, but the Manchukuo government made it evident that it did not wish the Commission to meet General Ma. The Commission thereupon gave up the idea of visiting either Taheiho or Tsisihar and left Harbin for Mukden on the morning of May 21 by special train. At Mukden the Commission relaxed and spent several days in sightseeing.

The League Commission of Inquiry was due to return to Peiping towards the end of the week, according to advices from Dr. Wellington Koo, Chinese Assessor to the Commission. Dr. Koo reported that Lord Lytton, Chairman of the Commission, was negotiating with the Japanese authorities for passage through the Peiping-Liaoning Railway and Shanhaikwan on the Commission's return trip so as to study conditions outside the Great Wall. The Japanese however were not sympathetic to the idea. Upon receipt of Dr. Koo's message at Peiping preparations were immediately made for both railway and local accommodation for the Commission. A special train was ordered to be ready to leave for Shanhaikwan and the cruiser *Haichi* proceeded to Chinwangtao.

An example of the difficulties which the League of Nations Commission of Enquiry experienced in Manchuria in getting at the truth of the situation is revealed by the tongue-in-the-cheek answers given recently by Mr. Hsi Hsian, Finance Minister of Manchukuo, in reply to questions put by the League Committee. The Japanese news service *Rengo* "religiously" sent a verbatim account of the conversation to the newspapers in Japan, which, translated by the *Japan Chronicle*, were as follows:

Q. What are the financial resource of Manchukuo?
A. Details will be given you in a written statement.
Q. What was your motive in assuming the Governorship of Kirin Province immediately following the September outbreak?
A. The former military rule disappeared with the outbreak of hostilities and I assumed the post on recommendation by the people.
Q. Who are at the head of the anti-Kirin troops?
A. There are Li Tu, Ting Chao and others, who were my former colleagues.
Q. Why do they fight against Manchukuo?
A. Because they misunderstood our real intentions, I think.
Q. We would like to learn how the new State of Manchukuo was founded and who inspired it.
A. It was due to the wishes of 30,000,000 population.
Q. We entertain deep suspicion regarding the statement that the state has been founded by the wishes of the population. How were representatives of the important organs of the Government selected?
A. Representatives of the people in each province were called together; the agricultural, commercial and industrial circles selected their representatives and these representatives gathered at Mukden, where they made representations for the founding of the State.
Q. Who were representatives of the agricultural, commercial and industrial circles?
A. Interested persons. Scholars selected by the former.

The Japanese correspondent naively added: "When the questions were over, Mr. Hsi Hsian asked Lord Lytton for the impressions of the members of the Commission about Manchukuo. Lord Lytton replied that he could not disclose them."

JAPANESE PUT PRICE ON GENERAL MA'S HEAD

THE most striking development regarding the situation in Manchuria during the week was the announcement made by Japanese newspapers in Harbin (May 24) that the Japanese Army authorities had promised a reward of $100,000 to any person or persons responsible for capturing General Ma Chan-shan alive, or $50,000 for his dead body. The redoubtable General Ma has been putting up a strong resistance to the Japanese during the past few weeks, but the real reason for the animus on the part of the Japanese military authorities against General Ma is that he "betrayed" them several months ago, when apparently taking a command under their direction, he not only "deserted" but took away with him the funds that the Japanese had entrusted to him for the purpose of carrying on military operations in their behalf.

General Ma's campaign against the Japanese in Heilungkiang province towards the end of last week was making considerable headway. The arsenal at Tsitishar has been transferred to Taheiho, where General Ma has his present headquarters, and it is stated to be turning out considerable quantities of ammunition. General Ma is estimated to have at his disposal at present something like 40,000 troops, comprising infantry, cavalry, artillery (20 field peices) and also a small air squadron. His soldiers are said to be in high spirits. The anti-Manchukuo forces reached a point five miles from Harbin on May 18 and it was only after they had been driven off for the third time that they began to retreat. The situation in the Harbin area had become sufficiently serious to induce General Honjo, commander-in-chief of the Japanese forces in Manchuria, to leave Mukden for that city on May 22. A *Kuo Min* dispatch reported that while one regiment of the Heilungkiang units was engaging the Japanese along the Hulan-Hailun railway, the main Heilungkiang forces under General Ma Chan-san were heading for Tsitsihar from Anta. In the end, the anti-Manchukuo troops which had been defending the city of Hulan retreated in a north-westerly direction on May 24, on which date General Hirose's division entered the city. *Reuter* says the Japanese captured 500 prisoners, three armored cars and several field guns when they captured Hulan. The situation in north Manchuria had become so strenuous for the Japanese that they withdrew some of their troops from Suichung, near Shanhaikwan, and dispatched them to Harbin. As a result, the

Japanese pressure on Shanhaikwan was considerably relieved. The Commander of the Japanese military at Shanhaikwan on May 21 had filed further demands with General Ho Chu-kuo, Commander of the 9th North-eastern Army and concurrently Garrison Commander of Shanhaikwan, that the boundary walls of Shanhaikwan as well as the 12 villages in the outskirts including Paliku, Laohutun, Yunganpu, be transferred to the control of the Manchukuo government.

Major-General Hirose's brigade, which had gone down-stream along the Sungari River, occupied Sansheng which had been the base of the force under General Li Tu, at noon on May 17. Prior to the arrival of Major General Hirose's main force, the Chinese troops retreated eastwards without making any resistance. One company of Japanese forces from Chengfangchen encountered a Chinese force of some 1,500 in number at a point to the south of Chengfangchen on the morning of May 17.

Since the night of May 16, a fierce battle is being fought between the native army and the army from Jehol at Erhshihohiatse, south of Chaoyang. The latest reports were that the Jehol army had not been able to withstand the native troops but retreated towards the north. General Tang Yu-lin, having received an urgent appeal, mobilised his cavalry brigade, which hurried to Chaoyang.

A serious situation has arisen at Hunchun, in the Chientao district of Manchuria, where a body of 2,500 "insurgents," co-operating with bandits, are harrying the neighborhood and threatening to attack the city. The Japanese and Korean residents at Hunchun are reported to have fled for refuge to Korea, as the Manchukuo garrison, fearing the attack, has retreated.

Mr. Sieh Tung-sen, Governor of the Shenyang District of Fengtien Province, was arrested May 18 charged with complicity in a plot hatched by Gen. Chang Hsueh-liang against the new state. The arrest of the officials has caused strained relations between the Japanese and Manchukuo police forces, and this in turn has given rise to considerable public apprehension in Mukden.

The anti-Manchukuo forces under general Li Tu masscred 35 Japanese nationals at Ilan, according to press despatches reaching Harbin May 18. After the massacre, the messages added, the anti-Manchukuo troops set fire to the city and then began to retreat in the direction of Fuchin.

A large force of anti-Manchukuo troops on May 21 raided Kaolintze, 14 miles west of Hengtaohotze, wounding the assistant station-master, a Russian, in the left shoulder. Owing to the many raids Kaolintze has experienced, the station-master has instructed all employees there to close down the railway buildings and evacuate to Hengtaohotze. Fifteen Russian bandits armed with rifles raided and looted the village of Peilintze, 13 kilometres west of Muling. Russian civilians, the station master, and a switchman were wounded in the subsequent fray. The bandits also fired on a passing passenger train.

Upwards of two score Chinese bodies in Shanghai have joined the recently established Association to Support the Volunteer Forces to Recover Manchuria, and at present are active in collecting money avowedly to be used to dispatch an army to Manchuria. Among these bodies are the Anti-Imperialism Society, Shantung Guild and Northeastern Guild. The first general meeting of these newly created organizations was held May 24. The Chinese newspapers claim that already contributions in support of the proposed "volunteer army" are coming in not only from Chinese in Shanghai, but also from Java and other South Sea areas.

A *Kuo Min* telegram from Tientsin May 24 stated that a nervous atmosphere prevailed there. The occurrence of a disastrous fire the previous day and the threatening situation of the Grand Canal coupled with various rumors concerning activities of "White" Russians reported to have recently arrived at that port, had aroused apprehension among the people. Early the previous day a fire of unknown origin broke out at Ta Hutung, the main thoroughfare in the Chinese city, and raged all morning. 39 houses occupied by six firms were gutted; only two of these firms had their properties insured. While the people's minds were preoccupied with this disastrous fire at Ta Hutung came reports of the rise of the waters of the Grand Canal to a dangerous level in southern Hopei. So high is the canal that conservancy work has had to be suspended.

Reports reached Peiping during the week that three rebel brigades under Hsi Hsia, the so-called Governor of Kirin, each comprising 2,000 to 3,000 men, had gone over to the Chinese loyalists in Kirin province. Only one regiment remained faithful to the Japanese nominee. With the recapture of four districts in eastern Liaoning, the Liaoning People's Self-Defence Army is planning a drive on Shenyang (Mukden).

SHANGHAI POSTAL EMPLOYEES STRIKE—OTHERS FOLLOW

THE Shanghai postal employees went on strike Monday, May 23. The entire force went out to a man and not only the head office but all branch offices are deserted. Police of the Public Safety Bureau are on duty inside the post office premises. Unlike on previous occasions when there have been strikes, the senior officials have gone out with the rank and file. The demands made by the men, who belong to two labor unions, strike at the administrative control of the service and are not primarily concerned with wages or working conditions, although the latter subject is referred to incidentally. The main demands of the Chinese postal employees are that the postal rates shall be restored to the former scale, that there be an amalgamation of the Directorate General of Postal Remittances and Savings Banks with the Directorate General of Posts and that the allowances to the aviation corporations be discontinued. The idea in the minds of the strikers appears to be that too much money is spent in other directions and thus their emoluments are decreased. One of their minor demands is that a rice allowance, which was discontinued some time ago, should be restored.

According to Chinese reports, Mr. Tsien Tsun-chi, Directorate-General of Posts, and Mr. Loong Dah-fu, Inspecting Commissioner, have been dismissed from their posts by order of the Ministry of Communications and are detained at Nanking. They are declared to be suspected of being

concerned in a "certain matter. Mr. Wong Na-chen has been appointed to the post of Director-General and Mr. Ling Shih as Inspecting Commissioner. The Directorate-General of Posts in Shanghai has published a public notice which stated that in the present circumstances the public should not put their letters for posting into the letter boxes in the streets and shops, for such letters can not be collected by the Post Office. Incoming mails will be held by the respective shipping companies and kept until delivery can be taken of them and some system of sorting devised. The Shanghai Municipal Council has established a Temporary Post Office in the Municipal building to handle foreign outward mails. The mails are to be sent from here to Hongkong franked by Municipally-issued coupons. At Hongkong stamps are to be affixed in the usual manner, the actual posting and putting on board ship taking place there.

The Ministry of Communications issued a statement May 23 giving its reasons for its rejection of the demands submitted by the Shanghai Postal Labor Unions. Regarding the criticism that non-postal men have been employed in the service of the Directorate-General of the Postal Remittances and Savings Bank, the statement points out that the reason for this is too obvious to need explanation. While non-postal men may not possess the same experience in postal service as postal employees, it is not likely that postal employees are sufficiently equipped with that knowledge of finance and banking which is essential in handling postal remittances and savings bank business. It is pointed out that work in the savings banks does not consist merely in the paying and receiving of money, nor does postal remittance procedure consist merely in the filling up of postal money orders. A sound knowledge of general economic conditions, foreign and domestic exchange and other financial matters is indispensable in order to make such business a success. That is why, continues the Ministry's statement, it has been found necessary to establish a separate and independent directorate-general for the postal remittances and savings bank and the employment in its service of business experts as well as experienced postal men. With reference to the charge that since the taking over of the postal administration by the National Government, the personnel of the postal service has been subject to much more frequent change and is less immune from political vicissitudes than it had been formerly, the statement replies by pointing out that such change, if any, affects only the heads of the service, the staff being on the whole guaranteed the same security of tenure as had been the case in the past. After dealing with some other criticisms of minor importance, the statement turns to the contention made by the Union that the total amount of savings deposits handled by the post office being only $30 millions annually, there is no necessity for establishing a separate organ for the postal remittances and savings bank. The statement points out that this fact is in itself a good reason for having a separate department to take charge of the business. For the establishment of a separate department will undoubtedly facilitate and promote the development of these two branches of postal service.

In connection with the strikers' demands concerning the Postal Remittances and Savings Bank the Directorate General of said institution has issued a statement clarifying its position. In the first place it is pointed out that the bank owes its existence to a government order and it cannot be discontinued except by a similar order. The personnel of the bank has been engaged solely on the basis of merit and such qualifications as each position may demand. The Directorate General emphasizes that the duty of the bank is first toward the saving public, and that duty cannot be subordinated to a consideration of the personal wishes of postal employees. Of late certain staff members of the Directorate-General originally recruited from the postal administration were transferred back, and this had given rise to considerable complaint of discrimination. The Directorate General says the fact is that a new policy of economy has dispensed with the positions they once held; if they had been replaced by others who had never been in the postal service, there might be ground for complaint. Before the establishment of the postal bank it was almost impossible for the postal administration to devote its main attention to what was then but a savings department. Since the bank came into being the amount of deposits has increased from $12,000,000 to $27,000,000, and the number of depositors from 77,000 to over 140,000. Remittances have grown from $130,000,000 to $160,000,000, an increase by some $30,000,000 in about two years. The net profit for the fiscal year ending June, 1931, amounted $5,670,756.65. Of this sum 80 per cent. was handed to the postal administration and the balance retained as reserve. The bank, in other words, contributed to the administration a major part of its own earnings. The Directorate General in its report further pointed out that a joint accounting and auditing office is maintained by the two offices, so that their common interest may be best served. Even the personnel handling savings and remittances business in all branch and sub-branch offices is still under the joint control of the bank and the postal administration. These facts, says the Directorate General, should suffice to show that the bank and the postal administration, though operating in an independent manner for the sake of efficiency, are really closely interrelated. Both belong to the Ministry of Communications and both strive to serve the same public; there is no need of amalgamation because they have never been entirely separated.

Mr. Wang Ching-wei issued special instructions on the night of May 23 to Mr. Wu Teh-chen, Mayor of Shanghai, in which he held that the Post Office strike is illegal. The Mayor was ordered to make arrangements for the immediate resumption of work, promising to consider some of the strikers' demands. Mr. Wang Ching-wei also pointed out that in case the postal workers refused to listen to reason, the Government would resort to drastic measures in order to cope with the situation.

The principal move that has been made to improve the postal situation in Shanghai, in addition to the service inaugurated by the Municipal Council, was that Mr. A. M. Chapelain, Shanghai Postal Commissioner, proposed reopening certain post office departments in Shanghai with volunteer workers if police protection for the workers

was assured. Mr. Edward S. Cunningham, American Consul and senior consul, has been in communication with Mayor Wu Tai-chen on proposals to end the strike. One of the first things that it is hoped to arrange, pending the settlement of the strike, is some temporary plan to distribute the large amount of foreign mails which will accumulate here in case no arrangements are made to allow recipients to take delivery of same. The mails are, of course, consigned to the Chinese postal authorities and no disposition of them can be made except with their cooperation.

The postal strikers organization has issued instructions to its members to refrain from all violence, and so far there have been no untoward incidents in Shanghai, but local communists have seized upon the situation to spread literature favoring the strike and at the same time urging support for the cause of communism.

The postal strike at Shanghai is having its repercussions in other parts of China. In Canton the postal employees have issued a long proclamation denouncing the postal administration and voicing support for the Shanghai strikers. In Shanghai the 200 employees of the Postal Supply Department, Kiaochow Road, joined the strike May 23, thus making the strike complete as far as local Postal Adminstration employees is concerned. Strikes of postal employees at Sungkiang, Hangchow, Tientsin, Peking and other parts of North China are reported. Postal communication between Shanghai and other places in China is at a complete standstill with the exception of the air mail service operated by the China National Aviation Corporation to ports along the Yangtsze River. The air mail service is being maintained here with the assistance of Boy Scouts who have volunteered at the request of the Chinese Chamber of Commerce.

Hugh Arthur Reeks of the Directorate General of Posts in an article in the *North China Daily News* May 25, says: "Essentially the present strike, it must regrettably be said, is an effort on the part of the staff to prevent the disintegration of the Service which, it is thought, would ensue upon more political interference in the administration of the service.....The establishment of the Postal Remittance and Savings Bank, initiated by the most brilliant employee of the Postal Service while giving rise at the time to much 'inquietude' was not to be deprecated, and the staff appointed of postal employees and proved business men were of calibre but the dreaded intrusion of the politicians and of partisan appointees has undermined confidence.....It has been said that 'the axeing' of a part of the foreign staff is responsible for the disintegration but in truth it is not so, for under its former organisation the Chinese staff was in efficiency and integrity equal to the foreign staff, and moreover of the foreign staff the most efficient were retained, though their 'powers' were unfortunately too much curtailed. The intrusion of the politicians with their control of the funds is what has to be deprecated. The 'profits' of the Postal Bank were and are earned by the Post Office, for all money order transactions though done in the Post Office are ascribed to the Bank. Moreover a portion of the profit is on 'exchange,' one due to the realisation of substantial foreign balances built up by the Post Office in prosperous years for meeting international mail carriage accounts. The Post Office exchequer is being drained for the upkeep of the Aviation Companies. However much the development of aviation is desirable the risks should be borne by the 'speculative' public which, in every country in the world, does that 'donkey' work in exchange for the promise of possibly very large profits in years to come, the government or its Post Office department, merely subsidising such enterprises to a limited extent. Neither foreign speculators nor politicians should be permitted to endanger through such an enterprise the emoluments and provident funds of one single class of government servants."

"F. D. Z," a frequent contributor to Shanghai newspapers, in a recent comment says: "Nepotism and corruption have crept into the hitherto healthy postal service, so much so that not only the postal surplus has been squandered, but the authorities have found it necessary to raise the postal charges at the expense of the public. Such nepotism and corruption is bound to destroy sooner or later the postal service. The public is being continually robbed to enrich a few unscrupulous politicians. All honest postal workers must feel indignant at such a situation. They are powerless to prevent corruption; but should they remain idle to allow that corruption its full sway? Should they keep on working as the involuntary instruments of the greedy politicians to destroy that service which is the pride of their heart?"

CHINA AGAIN REVISES POSTAGE RATES

CHINA has again been wrestling with its postal tariff during the past month. As was to be expected when a year or two ago silver in relation to gold, on which international postal rates are based, lost its value by half, the Chinese postal service had to increase its foreign postage rates in order to save itself from loss. In the days when silver was at its ordinary level, China's foreign postage rate was ten cents per unit of 20 grammes, later it was raised to 15 cents, and about a year ago to 25 cents, where it has remained ever since. Domestic postage rates have also had to be altered in the past year or so, not only because of the upset in silver, but because operating expenses have been greatly increased owing to labor unrest and the fact that employees' wages have been very much increased. For many years, China's local rate stood at one cent per unit, and the inter-provincial rate at three cents. The inter-provincial rate was later raised to four cents, local rates remaining as before. Last month, a further change in domestic rates was made, foreign rates not being touched. The rates as put into effect temporarily however raised a storm of disapproval, with the result that the domestic rates have again been changed, this time slightly downward, details of which are given below:

Local delivery, raised from one to two cents several weeks ago, remains unchanged. The charge for domestic letters is revised from six cents to five cents; the postage on domestic postcards from three cents to two and half cents, and from six cents to five cents for double postcards (i. e. with reply paid). The registration

fee is revised from ten cents to eight cents, and with return receipts, subsequent acknowledgment of receipt, from twenty cents to sixteen cents. With reference to money orders, the rate for acknowledgment of payment will be eight cents instead of ten, and for subsequent acknowledgment of payment, sixteen cents instead of twenty cents. The fee for return receipt of express articles and parcels is eight cents, and for subsequent acknowledgment of receipt, sixteen cents, instead of ten and twenty cents respectively. For samples, the charge will be three cents a unit up to 1,000 grammes; seven and half cents from 100 to 250 grammes, ten and half cents from 250 to 350 grammes; and fifteen cents from 350 to 500 grammes. For Japan, Korea, Kuangtung, Taiwan, Hongkong and Macao, the above revison applies. By virtue of this revision of the domestic postal rates, the increases on charges for delivery of books, printed matter and commercial papers will be exempted. The charge for the delivery of newspapers and the airmail postage will remain the same, as the old rates were not affected by the alterations of May 1.

Woodhead's Scheme for Making Shanghai "Safe"

H. G. W. Woodhead, local British journalist who conducts a "One Man's Comment" column in the *Shanghai Evening Post*, American paper, has stirred up considerable local controversy through a proposal which he made for the calling of an international "round-table-conference" for the solution of outstanding problems involved in the so-called Shanghai Question. According to reports which appeared in *The China Press*, local Chinese-owned newspaper issued in the English language, Mr. Woodhead who is chairman of the recently formed British Residents Association of Shanghai, sent a letter to the various foreign chambers of commerce advocating the convening here of a round-table-conference of world Powers and China for the purpose of clarifying the status of Shanghai. Specifically he claimed that the British Residents Association had made arrangements for the calling of a special meeting of Shanghai voters (ratepayers) for the purpose of passing a ready-made resolution, the text of which was to the following effect:

> "That in view of recent events and of the Feetham Report and in fulfillment of the resolution approved by the League Council on February 29, 1932, the Shanghai Municipal Council be instructed to press for the calling of an International Conference with the object of ensuring the security and settling the future status of Shanghai and various issues which are a constant source of friction and danger and further to press for direct representation of the Shanghai Municipal Council at such conference."

In the accompanying letter, Mr. Woodhead suggested that unless "immediate and effective action be taken Shanghai will again be confronted with the problems with which it had to deal prior to January 28." These problems, according to Mr. Woodhead included the following, (1) Outside roads; (2) Armed Chinese forces around Shanghai; (3) The workings of the District Court. In explanation he called attention to the fact that the Chinese authorities "have already protested against the Municipal Council's action in conducting repair work on the roads; that the danger of the *unnecessary* presence of armed forces around Shanghai is very grave and may at any time lead to a repetition of the troublous times through which the Settlement passed in 1927 which necessitated the presence of large forces of foreign troops to protect the Settlement; that the mal-administration and the absence of justice in civil cases in the Special District Court have become notorious."

Mr. Woodhead urged that all available organized opinion "should be expressed to convey to our respective governments the need for a round-table conference at which these *and other questions* can be decided by the world Powers. He then proposed that the foreign chambers of commerce pass another ready-made resolution to the following effect:

> "Whereas there are certain matters affecting the welfare and good government of Shanghai which have recently been the cause of friction and dispute, notably the functioning of the Special District Court, jurisdiction over extra-Settlement roads, and the presence of armed forces in and around the Shanghai area, and whereas in the opinion of this committee (British Residents Association) no solution of the recent Shanghai incident will be permanently satisfactory unless there is also a settlement of these outstanding issues.
>
> "Therefore it is resolved that this committee of the (name of Chamber of Commerce) through its consular and diplomatic representatives, requests that a round-table-conference be convened by the Powers and China at the earliest possible moment for the settlement of outstanding matters affecting the welfare and good government of Shanghai and that the Shanghai Municipal Council and French Municipal Council be represented at such conference."

Following this, Mr. Woodhead quoted from a press report of a League resolution on Feburary 29 which indicated that the various governments concerned had approved of a proposal for the holding of such a round-table-conference "if the armistice based on the principles already announced were accepted and carried out, the Chinese Government was prepared to participate in the conference at Shanghai, recognizing that safety of the International Settlement and the French Concession was essential to the maintenance of peace in and around Shanghai and on the understanding that the conference was concerned only with the restoration of peace in Shanghai and that all questions arising out of the Sino-Japanese dispute in any part of China would be settled in accordance with the procedure invoked by China before the League."

Although there is no direct evidence available, there is considerable circumstantial evidence pointing to the fact that Mr. Woodhead's proposal for the holding of a round-table-conference was rather closely associated with a similar move on the part of the Japanese Government. The *Osaka Mainichi*, (English edition) for Tuesday, May 17 told of the action of Foreign Minister Yoshizawa of the Japanese Government in calling a conference in Tokyo of the British, French, and Italian ambassadors and the American Charge d'Affairs when a proposal was made for the calling of an international round-table-conference on the Shanghai Question. The article in the Osaka paper declared that,

> "The Japanese Government wants to simplify the conference as far as possible and only discuss questions in which the Powers are interested. Accordingly the discussion will be limited to the two questions of making Shanghai an international free port and the creation of a demilitarized zone."

Continuing, the Japanese newspaper declared in the event China refused to convoke the round-table-conference, that the meeting would be held in Tokyo, following which the four Powers concerned "would press the Nanking Government to accept the decisions of the Conference."

Now the strange part of the story is that the conference in Tokyo called by Foreign Minister Yoshizawa wherein the foregoing proposals were made, was held on May 13 which was the same day that Mr. Woodhead held his conference in Shanghai with the committee of the British Residents Association wherein the foreign chambers of commerce were asked to pass a resolution favoring the holding of such an international conference. Mr. Woodhead's "confidential" proposal to the foreign chambers was dated May 14, the day following Mr. Yoshizawa's conference with the foreign ambassadors in Tokyo. The whole thing, of course, may have been a coincidence but as stated in the foregoing, circumstantial evidence points to collusion somewhere. In other words, did Mr. Woodhead, chairman of the Shanghai British Residents Association receive confidential advices from Tokyo (possibly from the British Ambassador Sir Francis Lindley) that the Japanese government had decided to ask the Powers to participate in such a conference and to threaten China in the event of her refusal to convoke such a conference, that the meeting might be held in Tokyo, following which action would be taken to "induce" China to accept the results? Of direct interest in this connection is the important factor that the Japanese War Department apparently had made its decision to withdraw the Japanese troops from Shanghai on the preceding day, otherwise, May 12.

The whole story of the Japanese decision to intervene at Shanghai and the equally sudden decision to withdraw the Japanese Army from Shanghai is yet to be told, but a careful perusal of the official and unofficial reports which have appeared in the newspapers tend to show that there must have been some collusion between the Japanese military and naval authorities and certain Shanghai interests. For example, Mr. Woodhead's letter to the foreign chambers of commerce declared that "unless immediate and effective action be taken, Shanghai will again be confronted with the problems with which it had to deal prior to January 28," the day of the Japanese intervention. Well, anyone familiar with the Shanghai situation in recent months, knows that the so-called "problems" at Shanghai, such as outside roads, armed Chinese forces and the court question, were no more pressing on January 28 than they had been for many months or even years previously—that is, they were no more pressing for anyone, excepting the Japanese. They were *pressing problems* for the Japanese because the anti-Japanese boycott was threatening to nullify the Japanese occupation of Manchuria. Although the Japanese have announced officially that the Shanghai intervention was for the purpose of "protecting" local Japanese residents, everyone of intelligence knows that the real objective of the Japanese attempted occupation of Chapei on the night of January 28 was intimately connected with the Manchurian situation. The only unanswered question was whether the Japanese intervention was decided upon in connivance with certain powerful interests at Shanghai which hoped to benefit from it. When the Japanese suddenly decided to withdraw their troops a spokesman of the Japanese Foreign Office was quoted as declaring ironically that "Japan really had been fighting the battles of the other nations at Shanghai, but only had received world odium for her efforts."

Further circumstantial evidence that there must have been collusion between the Japanese and certain Shanghai interests is provided in the fact that immediately after the Japanese intervention had become an actuality it began to be rumored about Shanghai that certain secret moves had been made to enlist the support of the League in the creation of a so-called "Independent-City-State" at Shanghai. A draft of one of these proposals appeared in *The Review* on April 23 and according to reports which appeared in the Japanese newspapers, it was sent to Geneva with a resolution which allegedly contained the names of twenty-nine leading Shanghai foreign and Chinese residents.

The first result of the publication (premature) of Mr. Woodhead's scheme for the calling of an international round-table-conference for the consideration of the Shanghai Question, was the announcement of the Shanghai Municipal Council that it had no official knowledge of the proposal to call a special meeting of the Shanghai ratepayers. Mr. Woodhead also announced that this phase of the scheme had been abandoned but that other phases of the plan "would proceed as originally planned." Chinese reaction to the Woodhead proposal was immediate and unmistakable—that no such conference would be called until the Manchurian issue had been settled. Chiang Tso-pin, former Minister to Berlin and Tokyo and now head of the Nanking special committee on foreign relations declared that "while there are conceivable circumstances under which such a conference might be convened, the present moment is however, premature; that the Manchurian and Shanghai questions are inseparable and interlocked issues and that the round-table-conference cannot be convened merely to discuss one aspect of the Sino-Japanese controversy." In addition the Shanghai Chinese Civic Federation issued a manifesto denouncing Mr. Woodhead's proposal and recommending to Wang Ching-wei and Chiang Kai-shek, in view of Chinese apprehension concerning reports that China had agreed to the demilitarization of the Shanghai zone, that Chinese troops immediately be ordered into Nantao and Pootung districts.

The *China Press*, voicing Chinese opinion on the subject of the round-table-conference, declared that the Chinese have a greater interest than anyone in the maintenance of peace and order and the security of Shanghai and that there was no objection either within the government or outside to any honestly-conceived plan for securing these ends. Continuing, the editorial stated,

> "The trouble and misunderstanding which has developed over the question of Shanghai's security has been due to the fact that the Chinese people have not been convinced of the good faith of those who have been most active in the formulation of

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The Sino-Japanese War at Shanghai: Its Significance and Consequences

BY HOH CHIH-HSIANG

WE are as yet too near to the scene both in time and location to view the recent Sino-Japanese armed conflict in Shanghai in its true perspective. Brief as it was, this undeclared war between China and Japan will have great significance and far-reaching consequences to both countries in future. On the part of China, she will have many bitter lessons to learn and would eventually profit by them, if she can take these lessons to heart. To Japan, this armed demonstration in Shanghai has turned out a failure beyond all her expectations and amounted to a showdown of her much-advertized military strength. Her rashness and overconfidence in her arms have plunged her into a serious blunder which is hurting her international prestige tremendously. As a well-known Chinese phrase runs, the Paper Tiger has flattened; militant Japan, the Oriental Myth, has exploded and after all, she is by no means invincible, as the world has been deceived to believe for decades.

Undoubtedly, China has endured great sacrifices during this short period of fighting in Shanghai, but her sacrifices have not been entirely made in vain. While the war has undeniably fallen heavy on Chinese individuals, but in a larger way to China as a whole, it may prove a blessing in disguise. Even in Shanghai, the scene of the ruthless warfare, our regret is not without its consolation and encourgement. Chapei before Jan. 28 last despite its many years of development, was still a medieval city with narrow streets, dirty alleyways, dilapidated houses, and was long in need of modernization. Its destruction by the Japanese during the warfare, which was absolutely unavoidable under the circumstances, may now provide an opportunity for the reconstruction of an entirely new and modern city on the demolished ruins.

Both nationally and internationally, the Shanghai war has considerable significance. Internally, it may mark a turning point in Chinese history and may be instrumental in promoting unity in the country. Chinese politicans, however selfish they may be, must sternly realize at least one thing, that united they stand, divided, they fall. If they don't quit their petty quarells and stick together, China will certainly follow the fate of Korea and lose her national independence. Internationally, the gallant defence of Shanghai put up by the Chinese forces has greatly enhanced our international prestige. By our heroic fighting and the demonstration of our spirit of sacrifice and endurance, we have fairly convined the supercilious world of our ability to defend ourselves against foreign aggressions. We are no less courageous and self-determined than any other people in the world. Our spirit of sacrifice and appreciation of the sense of honor with a readiness to defend it are by no means behind other peoples. If we can achieve national unity, develop a strong central Government and devote our national resources for the welfare of the nation, we can alter the course of history in the Far East. The world will witness the rise of a great modern power, replacing Japan as future leader of Asia. Japan by her ruthless and barbarous acts and abuse of her power has forfeited her claim as a modern civilized nation and her hegemony of Asia will have to be superseded by China, if she can seize the chance to develop the country into a strong power.

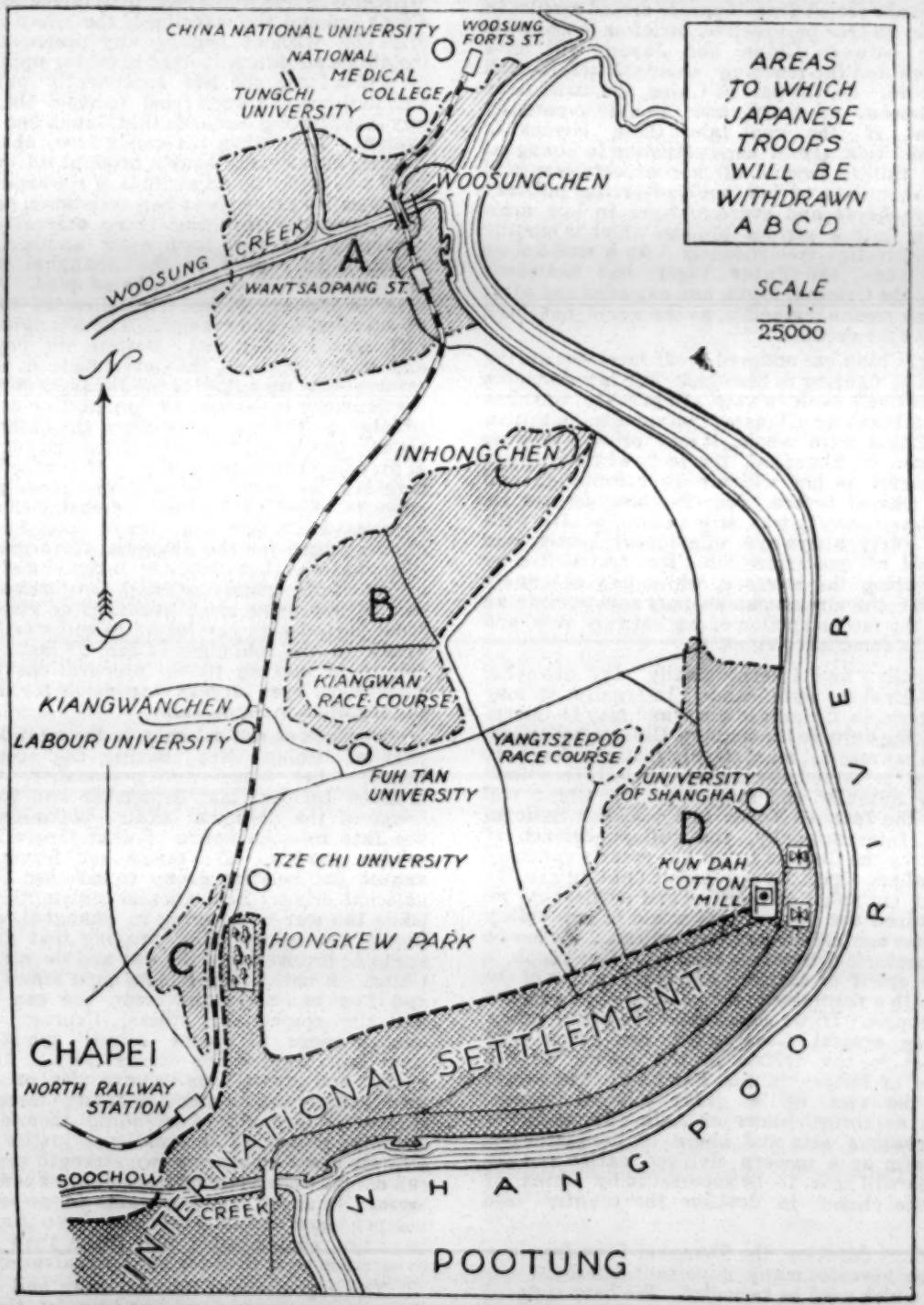
Despite its short duration, the Shanghai Sino-Japanese armed combat has revealed many important defects in our national system which need be remedied. We have suffered greatly both in policy and in equipment and unless we remedy these defects in time, we would have to suffer more in future. First of all, our lack of internal unity and want of foresight in our national policy were the chief factors which have invited foreign encroachments. Since the Sino-Japanese war of 1894, our relations with Japan have not been on terms of cordiality. Following the establishment of the Republic, Japanese persistent interference in our internal affairs has further aroused our ill feelings The multiplying instances of acts of Japanese aggression and constant over-straining of our international relations have steadily tended to culminate into a war between the two countries. If our national leaders had had a sense of patriotism and any foresight to see the coming of the inevitable catastrophe, they would not have wasted the past two decades and an incalculable amount of national resources in selfish warfare and would have developed the country into a world power capable of meeting the Japanese on equal terms. China should have long realized that willynilly, a war would have to be forced on her by Japan but China ignored the warning of the times and let the years drift by without making any preparations to meet the inevitable situation. Instead of taking appropriate measures of self-defense she has consistently pursued a policy of submission and always tried to avoid the war by accepting any humiliating demands that Japan has the arrogance to present. Even when the crisis came ahead, she was still making an eleventh hour's attempt to evade, and adopted what was evidently an attitude of cowardice and contempt—the so-called principle of non-resistance, patiently watching the Japanese ravaging three extensive provinces and occupying one rich town after another without lifting a hand. In regard to the Shanghai situation, a still more subservient attitude was adopted. All official efforts prior to January 28 last were directed towards one object of submission and evasion. The Shanghai officialdom was intimidated and cowed. Despite the popular indignation and strong protests, the Government of Greater Shanghai reverentially submitted to the Japanese dictates and accepted the Japanese insulting and humiliating demands. We capitulated at the very hour when the outbreak of war was already imminent. Our submission and capitulation instead of arousing the mercy and pity of a relentless and ruthless neighbor, as was originally designed, produced just the opposite effect of further increasing the arrogance of the Japanese and a war was thrust upon Shanghai, not oven allowing time for the Shanghai Government to surrender. Shanghai was thus caught by surprise and unprepared! In a state of hurry and confusion, the garrison force of Chapei had to improvise some sandbags or rice-bags and erected some barbed-wire barricades to withstand a furious enemy attack in the mid night of Jan. 28 last. In one word, the failure of making timely preparations and the policy of submission were largely responsible for the bringing up of the situation in Shanghai.

The lack of self-reliance is the most despiscable on the part of China. Not having the courage to defend herself—her honor and personality, China since the Mukden Incident last September and following the outbreak of the Shanghai affair, has unreservedly entrusted her fate into the hands of that theoretical body known as the League of Nations and fervently prayed that august but helpless group to save her from her present national crisis. Still another contemptible thing was that while the war was raging in Shanghai, a portion of our people was almost daily praying that Russia or America might be involved into the war and do all the fighting for China. A nation, like a man, must stand on its own feet and if one can not stand erect, one can hardly expect to win the respect of others. Courage and self-respect can do more to arouse others' sympathy and admiration than begging for others' pity. This world is too cynical and supercilious to have pity on anybody and too unchivalrous to give a lifting hand to those who have shown themselves incapable of defending themselves. The high-sounding phrase of international justice and fairness is entirely based upon one's own strength and only those who can defend themselves by force of arms can claim such privileges. In short, if China wants to preserve her national independence, she must rely upon herself and nothing could be more contemptible and futile than expecting others to sacrifice their lives for her own salvation.

The importance of internal unity and sincere co-operation among the various factions for the welfare of the nation indeed can not be sufficiently stressed. It is the most essential element in the building up of a strong country. During the war in Shanghai, our lack of internal unity has caused considerable complications. While the urgent war situation was demanding complete cessation of internal quarels and an absolutely united stand, our politicians with all selfishness carried on their petty quarels with bitterness and intensity. Charges and counter-charges were passed between the Government and the opposition groups, each claiming that it was rendering a patriotic service. The Government was charged with being indifferent and lack of support to the Shanghai defence force while the opposition groups were blamed for making irresponsible talks and embarrassing the position of the Government. The matter of dispatch of reinforcements was the most vexatious problem on which the quarels center-

ed, and its unsatisfactory solution proved unfortunate to the Chinese and was responsible for final withdrawal of the Chinese Shanghai defence force. It can not be denied that the Government had failed to take any precautionary measures to meet the crisis. Even after the outbreak of the war, the Government was still hesitating and undecided. The reinforcements were coming very slowly and throughout the protracted period of one full month, we had only the 19th Route Army consisting of the 19th and 5th Armies to combat the ever-increasing Japanese hordes of land, navy and air force. Further, during the war, we most unfortunately lacked a central organization. The war was fought in Shanghai, as if it was fought by one individual army and the Government supported it only in an unofficial way, while the Japanese Government and nation were one in dealing with the situation. If we had presented a united front and had a powerful central directing organisation, we could have accomplished more than was achieved.

Our inferiority in military equipment has never been so glaringly revealed as in the recent Shanghai war. What we have suffered from the lack of a modern military machine during the fighting in Shanghai is indeed beyond description. With our bravery and spirit of endurance we could have scored a decisive victory, had our troops been as well armed as the Japanese. Despite the past two decades of civil warfare costing millions of money and lives, China has not yet developed a modern army. What we have had is just one huge mass of armed men which is neither modernly equipped nor trained. The development of a modern military machine capable of defending our country against foreign aggressions is the supreme need of the time and if we can take the lessons of the recent Shanghai war to heart, we should not lose time in building up a new army for the defence of the country. Our navy is still in a worse condition. As it is now, our Navy consists merely of a number of gunboats poorly equipped and manned. It is not too much to say it has absolutely no use in time of national emergency. During the recent Shanghai war, our navy remained remarkably forbearing even in face of utmost provocation. Even when the Japanese warships were shelling our crowded Capital city from the Yangtsze, our naval vessels anchored off Nanking patiently stood by to watch the process without offering the least resistance. China annually spends vast sums for naval development and maintenance; yet in time of a national crisis, it fails the country utterly. If our Navy were able to assist the Army in the least during the recent war, we could have met the Japanese on the sea and given them no opportunity in the land. China is a country which has an extended coast line and a strong and large navy is absolutely indispensible for national defence. In order to build up a new Navy, the construction of more battleships and training of naval officiers must go hand in hand, as both the equipment apd personnel must be improved. Further, we must also take steps to modernise and better equip our forts, which have long been neglected and failed to receive as much attention as they deserve. The guns in most of our forts have been antiquated and out of use in time of actual warfare. In addition to the poor and antiquated equipment, our forts garrisons have proved themselves incapable and inexperienced because of the lack of training. In time of peace, they look upon their commissions as sinecure positions and take no trouble to acquaint themselves with the details of handling of the guns; so when a crisis suddenly comes, they are puzzled what to do. For example, during the recent war in Shanghai, the Woosung Forts because of their antiquated equipment failed to render much help to the defence forces. The guns in the Forts were outranged by the Japanese war vessels and were unable to do any harm to the Japanese. The Forts were heavily shelled and rapidly demolished by the Japanese warships without being able to offer any effective resistance. Had the Forts been well equipped with modern guns, we could have prevented the approach of the Japanese war ships near our shores and made the landing of their troops impossibile. In view of these disadvantages, we must



This map shows the areas which the Japanese troops originally intended to occupy indefinitely but for some unknown reason, they are evacuating all these places and apparently are relinquishing any foothold in Shanghai.

(*Continued on page 446*)

The Japanese Adventure in Manchuria

(*The People's Tribune*)

PRIOR to the invasion and occupation of Manchuria, the avowed policy of Tokyo, as repeatedly announced, was that "Japan wants nothing more in Manchuria than that the Chinese population there shall live in peace and thrive, producing the raw materials which Japan is glad to buy, and providing a market for Japanese manufactures" —in other words, a policy of preserving law and order and encouraging the economic development of the Three Eastern Provinces. Then came the eventful September 18, when the Japanese army suddenly attacked and occupied Mukden, seizing all the important Government institutions and the arsenals, searching people's houses, looting or removing valuables, furniture and motor-cars, arresting, keeping in custody and killing high Chinese officials, persecuting peaceful citizens and committing other most outrageous acts, including arson and rape. During the months following the treacherous Mukden *coup*, the Japanese army, with lightning rapidity, extended this reign of terror all over the Three Eastern Provinces and by the end of 1931 it was, owing to the direct or indirect co-operation of renegade Chinese generals, in actual control of the whole region between Manchuria to Pogranichnaya and from Taheiho to Shanhaikwan. It is true, General Ma Chan-shan, the tough guerilla leader, did put up a commendable show against the Japanese invaders along the Nonni River and for about a month did succeed in holding back General Honjo's troops, both superior in number and better armed and equipped; but he too had to retreat in the end. The last stronghold in Manchuria in Chinese hands was Chinchow, about half way between Mukden and Shanhaikwan. The Japanese did not leave it alone for long, for the city was first bombed from the air and then attacked by land and sea. General Chang Hsueh-liang had a chance of making amends for his past by resisting the offensive launched by the Japanese. However, he pursued his declared policy of Non-Resistance, withdrawing his troops at Chinchow to Shanhaikwan without putting up a struggle. With Chinchow in Japanese grasp, General Honjo devoted his whole energy to the creation of so-called "Manchoukuo" which finally came into existence last March.

That this Japanese adventure in Manchuria is not in harmony with Japan's declared policy of preserving peace and encouraging the economic development of Manchuria is a statement of fact which is admitted even by the Japanese. But what then could justify Japan for making the conquest? According to Japan, the actions taken were provoked by the Chinese. Thus the attack on Mukden was based on a twisted rail and a few destroyed sleepers of the South Manchuria Railway, which were allegedly blown up by Chinese soldiers near Peitaying under the command of General Wang Yi-Chih. To substantiate her charges, Japan produced (1) a few photographs showing Chinese soldiers killed at the place of the accident, (2) an order for assembling his soldiers allegedly signed by General Wang Yi-Chih, and (3) some anti-Japanese posters found in the general's barracks.

The Flimsy Japanese Charges

Let us examine Japan's charges. In the first place, it is indeed no less than an insult to the intelligence of the world for Japan to submit the twisted rail of the S.M.R. as a proof of General Wang's alleged guilt. With a company of sappers, equipped with dynamite for demolishing purposes, General Wang could blow up and destroy the railway if he wanted to. What was the object of twisting just one rail, a damage which could be repaired within five minutes? As regards the corpses of Chinese soldiers, it is important to state that these bodies were shown to foreigners and the pictures taken only several days after the incident, and their presence on the spot is therefore no evidence that the soldiers were actually killed *there*. The order of General Wang as given out by the Japanese bore no date, so it could have been issued after the Japanese attack in order to make an orderly retreat. As for the anti-Japanese posters, even if genuine, they could at best be regarded as mere patriotic reminders. In Europe and America, and even in Japan, lectures are given, speeches are made, films are shown to soldiers from time to time so as to stimulate their patriotic spirit. Are such lectures, speeches and shows causes for foreign invasion and conquest?

Far from being provoked by the Chinese, the Japanese army had made thorough preparations for the attack on Mukden. Foreign military authorities have pointed out the impossibility of the troop movements on the night of September 18th and after, unless carefully premeditated. It was also known that the Japanese army wanted to make use of the Nakamura case as an excuse for military intervention, as two days before the 18th, the Chinese officer allegedly responsible for the killing of Nakamura had already been caught and sent to Mukden for trial and punishment.

Just as the twisted rail was used as pretext for the attack on Mukden, so was bandit suppression held out as a reason for the military occupation of other cities in Manchuria. While we do not deny that *hung-hu-tsze or tu-fei* have always existed in the Three Eastern Provinces, we cannot say that what the Japanese call "bandits" are really outlaws and highwaymen. According to Japanese terminology, any Chinese who refuses to submit to Japanese rule and dares to defend his home and country is a "bandit." But while fighting the volunteers or people's militia whom they name "bandits," the Japanese are at the time protecting the real bandits who are robbing and killing harmless people, on many an occasion bandits being hired by the Japanese military to cause trouble and to give Japan the excuses for her policy of aggression.

In utter disregard the intelligence and commonsense of the world, Japanese publicists thus do not hesitate to distort facts in their search for excuses justifying Japan's acts of international brigandage. But the crowning glory must be reserved for Dr. Inazo Nitobe, the former Under Secretary General of the League of Nations and the Quaker apologist of Japanese militarism, who tried to convince the nations that "Nothing would have pleased Mr. Wilson more than to have seen the new State now erected by the Manchus in a wilderness little known to the erudite President .... Thus it is entirely independent of China, but China herself should not bemoan the secession. China will be proud of it as Great Britain is now proud of the United States." So Dr. Nitobe intended to make us believe that the establishment of the Puppet Regime by the Japanese was based on Wilson's doctrine of Self-Determination, comforting China for her temporary loss of the Three Eastern Provinces by adivsing her to be proud of being the mother of a great nation-to-be.

"Self-Determination" in a New Role

Inspite of the eloquent plea of Dr. Nitobe to the effect that "Manchoukuo" was established in consequence of the "self-detetrmination" of the people in Manchuria, the whole of the Three Eastern Provinces have been seething with revolt against the new puppet government. The titular head of "Manchoukuo" is the ex-emperor Hsuan Tsung, lately known as Henry Pu Yi, who for the past several years was sheltered by the Japanese in their concession at Tientsin, being smuggled out to Port Arthur in November last and kept there as a prisoner until the Japanese captors brought him to Changchun and made him the head of the new regime. Who and where were the people that elected him! Was it the chief adviser of ex-Prince Kung, a Japanese named Esobe? General Ma Chan-shan, the Nonni hero, who, trapped by the Japanese, was forced temporarily to ally himself with the Japanese, and had entered—as it were—the lion's den to penetrate into the innermost secrets of Nipponese intrigue in Manchuria, has exposed, in his recent circular telegram announcing his return to China's fold, the true turn of events leading up to the installation by the Japanese of the puppet government of so-called "Manchoukuo." According to General Ma, whose 40 days' close contact with the Japanese made his statements undisputable, Henry Pu Yi at first refused to accept the post as President of the nugatory State. General Chang Ching-Hui, then by command of the Japanese military, together with 12 other delegates visited Pu Yi at Dairen three times and actually used threat and force to obtain his consent to assume office assigned for him. Other facts revealed in General Ma's telegram to the League of Nations, dated April 12th, may be summarized as follows:

(1) Supreme executive power in "Manchoukuo" is in the hands of Japanese Chief Adviser acting in the name of a "Cabinet," and virtually occupying the position of a Prime Minister. Chinese members of the Cabinet, so-called "Ministers," are only figure-heads, under the compulsion, and the virtual prisoners, of their Japanese advisers. All the key positions in the various administrative organs are also held by Japanese. As the Japanese military representative announced in one of the "Cabinet" meetings last March, the Japanese are to hold one half of the important posts in the new government and four-tenths of the responsible positions under the various provincial governments. In each provincial administration there are to be executive and police bureaux, both of which are to be headed by Japanese. We have since learned from *The*

China Times that the Japanese government at Tokyo has submitted a list of over 2,000 Japanese minor officials to the "Manchoukuo" administration to be assigned various posts in the 349 *hsien* [districts] of Manchuria. These Japanese are to take charge of their finance, police or communications and their appointments are to be made within three months).

(2) On March 16 General Honjo told General Ma, "Japan is determined to hold Manchuria at all cost; if and one should dare to oppose the new government, the Japanese army will undertake to annihilate him; and if a third party should step in and interfere, Japan will not hesitate to declare war on that country." Colonel Doihara in Harbin has further stated during a conversation with General Ma that the establishment of "Manchoukuo" by Japan has laid the corner stone for the Japanese domination of the Far East. (The present Japanese War Minister, General Araki, in a speech delivered at Osaka on April 22, before the Kokuhonsha Patriotic Society, was even more outspoken. "Nothing," said the Minister, "can stop us from carrying out our objective [the establishment of "Manchoukuo"]. We are prepared to frustrate anyone or anything that may stand in our path.... Neither the League nor Russia, whatever form their activities may take, will cause Japan to deviate one jot or tittle from the plans we have laid out for Manchuria.... No objections which they will make will mean anything to us, for we will pay no attention to whatever they may say.... A certain country [apparently U.S.A.] is talking about applying the Nine-Power Treaty to Manchuria, but any attempt to do this will be resolutely resisted by Japan.")

(3) All land owned by former officials shall be confiscated, and half of the land at present owned by the people shall be bought by the puppet Government to be used for the colonization of Japanese and Koreans.

(4) The Hulun-Hailar Railway, the most important line of railway transportation of food-stuffs in Heilungkiang, is to be leased to the Japanese for 50 years at the trifling figure of $3,000,000 for the period. This lease was already signed by General Chang Ching-hui, and when General Ma refused to counter-sign it, was presented to the "Minister of Communications" for counter-signature.

(5) Preparations have been set afoot in "Manchoukuo" for the estabishment of a National Bank similar to the Bank of Chosen in order to tighten Japan's financial grip in Manchuria.

(6) "Love for Japan" is to be the guiding principle of education in Manchuria. The text-books for the schools of various grades are to be revised in order that the younger generation may be taught to regard the Japanese rule with affectionate respect.

(7) Those refusing to be renegades and to serve the Japanese tyrants are regarded as guilty of high-treason. Many Chinese patriots have been arrested and killed—some stabbed to death, others buried alive. General Ma cited two cases, that of Yen Ting-Jui, formerly Minister of Finance in Peking and of Chang Kwei-En, formerly managing-director of the Taonan-Angangchi Railway. The former was shot; the latter buried alive.

Not Voluntary "Self-Determination"

To the well informed the assertion that a puppet Government formed along the above lines is the product of the free will and the "self-determination" of the inhabitants of Manchuria is of course ridiculous beyond words. For Japanese "advisers" in the public offices and even in private enterprises rule as kings of yore whose word was law, with power over life and death. Japan's advisership in "Manchoukuo" should more accurately be called an absolute dictatorship. *The China Press* published one case where a Chinese railway agent was beaten, fined and dismissed by his Japanese adviser, his crime being that on one occasion he purchased Chinese merchandise. Instances where these advisers abused the functions ordinarily associated with advisory positions, must be innumerable; but for fear of punishment, the victims usually do not dare to make their ill-treatment known. The presence further of Japan's military forces in Manchuria makes protest or defence on the part of victims rather futile. But we need not wait for protests from overawed victims to convince ourselves that "Manchoukuo" is independent only in so far as it can rest on 141,000 Japanese bayonets. The seizure by the Japanese of control of public utilities in all parts of Manchuria, especially where there is competition between Chinese and Japanese companies, for instance, can only be demonstrative of the interlocking relationship of the Japanese and "Manchoukuo" governments. In Mukden and Antung, Japanese power companies absorbed the Chinese plants, plotted out competition, and raised the price of electricity. At Harbin similar action is anticipated. More than 60 other Chinese plants in Manchuria will in this way go out of existence for the benefit of the Japanese. The telegraph, the radio, the telephone, the tram-car service, the gas lines—all these have been either taken over outright by the Japanese or put under the control of Japanese advisers who enjoy supreme power in affairs concerning which they are nominally only to advise. For example, direct telegraph lines, formerly operating between Mukden, Tientsin and Chefoo have been severed. Local offies may accept cables for China or foreign countries, but the cables can only be transmitted through the Japanese office in Kobe. The Chinese Government railways have been placed under the control of the South Manchuria Railway. Even between Mukden and Shanhaikwan, Japanese army guards are present in the railway coaches, with their rifles within easy reach. Japanese citizens travel first class with third class tickets or with no tickets at all. Everywhere are seen railway employees in S. M. R. uniforms—a sign indicating that there is a considerable shifting of the S. M. R. staff to the seized Chinese roads to replace those dismissed. Chinese passengers are very often herded together and lined along the station platforms to be searched by Japanese soldiers who open clothes and—as it were—dig into the skin of the searched. Even women can not escape this humiliating examination, being always compelled to open their gowns and to disclose to public gaze whatever is beneath.

A Tooth Paste Manufacturer's Experience

So much has been said about Japanese seizure or control of Chinese public utilities and public offices; the same terrorism is being applied to private business houses. The following case is unimportant in itself, but is so typical of the Japanese way as to deserve a more than passing mention. Liu Kai-Ping was the owner and manager of a Mukden toothpaste and toothpowder factory with a capital of $20,000 and a staff of 12 men. Working 14 hours a day, this Chinese industrial leader has been able to produce powder and paste at half the price the Japanese competitors demand for the same products. Liu Kai-Ping sold in past years 45,000 boxes of powder and paste annually, enjoying a high reputation among his customers, greatly to the disgust of the Japanese manufacturers who, prior to the Mukden coup of September 18, had sought in vain to crush him and to secure the market for their own goods. Then came the attack on Mukden; not long after, Liu was arrested by Japanese detectives and without much ado was charged as a "trouble-maker" and sent to prison. Of course, with the shutting down of Liu's factory at Cha Cha Hutung, Mukden, Japanese dentifrices now monopolize the local market.

Thus is the Japanese interpretation of President Wilson's doctrine of self-determination and of John Hay's principle of the Open Door. The Three Eastern Provinces, administered and exploited as a private estate by a former regime, yet relatively peaceful and prosperous, have now, by the most flagrant breach of international good faith, been virtually reduced to a primitive *colonie d'exploitation*. What security of life and protection of property there was prior to September 18, 1931, has gone to make place for an unprecedented chaos and anarchy. A few months ago General Tamon made a statement, then regarded as most astonishing, to the effect that "it will take three years and the services of 100,000 troops for Japan to clear the territory of banditry. But the Lytton Commission's preliminary report, dated April 30, has already mentioned the presence of 22,400 regular Japanese troops in Manchuria at the end of April as against 10 590 on September 18, 1931 in addition to the "Manchoukuo" army of 85,000 men and a so-called police-army of 119,000 men—all under Japanese control—"to maintain law and order." To these numbers may also be added the 14th Division of about 15,000 strong relieved from duty at Shanghai. But in the words of the Lytton Report, the result has only been "loss of life, destruction of property and a general sense of insecurity."

Can military madness be carried further?

Flood Prevention Measures at Hanyang

A recent estimate by the Hupeh Provincial Conservancy Bureau shows that about $300,000 will have to be expended on the Wutai Lock and the dykes along the Yangtsze River at Hanyang. Owing to the steady rise of the waters since the beginning of this month, work on the strengthening of these two points is being hastened.

In conformity with the program of the Wu-Han Flood Rehabilitation Committee, the Provincial Reconstruction Department is also planning the immediate construction of a road along the river-front at Wuchang which will be built high enough to serve as a dyke. Several thousand workers are engaged in repair and construction work.

Japanese Fascism vs. Chinese Nationalism

BY C. Y. W. MENG 孟長沫

A *REUTER* despatch from Tokyo dated May 12, three days before the assassination of Premier Inukai, in giving an analysis of present day political movements in Japan told us that various political factions are working hard to strengthen their position and are strongly advocating foreign policy. *Reuter* described the present political movement in Japan as "more akin to that of the Nazis in Germany than of the Fascists in Italy." It can best be described as "Nipponism," based as it is on the inculcation of the national spirit and on the traditional view of Japan as the Land of Gods with the Emperor as the divine head of the State. These leaders firmly believe that the Diet is only a body of self-seeking and corrupt officials, by no means representative of the people. Some of the factions are strongly nationalistic in outlook while the others are comparatively more moderate, but the various groups and leaders have much in common in that they are all, to a greater or lesser extent, opposed to the existing party system and are intensely nationalist in outlook. "With the situation as it is at present, however, the real danger appears to lie in the possibility of some ill-considered move by the League of Nations, by America or by some other outside party to bring pressure to bear on Japan in connection with the question of Manchuria. For the moment, national sentimemt, which was becoming worked up to a high pitch of excitement earlier in the year, has largely subsided, but it is still smouldering beneath the surface and little would be required to make it burst into flames once more. Should this happen, the chances are far greater than ever before that the country will be thrown into the arms of the national extremists, who are looking for an opportunity such as this to rally the country to their cause and place themselves in power," concluded *Reuter*.

"Back to Bushido"

Another special article in the *Shanghai Times* regarding the causes behind the assassinations recently taking place in Japan said that the average Japanese today is of opinion that there is something wrong but can not find the remedy. "The political parties are only groups of men whom personal sentiment or desire of gain have brought together," they said. It is natural that these people should turn to a more radical policy which promises to rescue them and the country from the position into which they have drifted. Being people of intense patriotism it is but natural that the Islanders are being driven to Fascism. The same article also told us that the Fascist movement in Japan was started in 1930 but since then it has risen rapidly. It supports the Manchurian expedition. The movement has also the support of the Army, which is extremely imperialistic in its outlook and, as such, opposed to any reduction in the fighting services. The three million members of the veterans association are important. These people look back to the glory of the Meiji era, and probably also their victories over China and Russia, and talk of a second restoration. The "Back to Bushido" movement is now making rapid progress in Japan. The writer of the article then pointed out that the Manchuria and Shanghai incidents have merely accelerated a development which was bound to occur. It has been suggested that Mr. Inukai's assassination was a protest against what was considered to be the government's weak policy. The murder of Mr. Inukai was one of a number of outrages whereby a few hot-heads hoped to create a breakdown of the administration and essential services, as a result of which the army would be called in to take control. Fascism is now rapidly growing in Japan!

Premier Inukai: "Unqual Treaties Caused Boycott"

The *Japan Chronicle*, an English daily newspaper in Kobe, on May 4 published a speech of Premier Inukai in the course of which the Premier was quoted to having said that "Although many causes may be adduced, the fundamental cause (between China and Japan) is the 'unequal treaties'. Attempts to recover national rights which have long been lost to China constitute the fundamental cause. I have every sympathy with the desire of the Chinese nation for their abolition of extrality. I fought valiantly in my younger days for the abolition of extrality in Japan. In this respect, China ought to follow the example set by Japan. She must make strenuous efforts to perfect her constitutional politics." This speech is said to have proved to be very disagreeable to the militarists and Fascists and may have had something to do in precipitating his death.

Dangerous Situation Ahead

The above quotations give us quite a clear picture of the present political situation in Japan, where militarists and Fascists are rambling in their attempt to dominate the country. These people care nothing for international goodwill or friendship. All treaties seem to them only "scraps of paper." They turn a deaf ear to such talk as the conferences of the League of Nations, the Disarmament Conference, etc. What they think and plan, day and night, is the conquest of this territory today and that territory tomorrow and the world next. They consider General Tanaka's memorial submitted to the Throne dealing with the conquest of Manchuria and Mongolia and the world, as their sacred "creed." General Tanaka's memorial is now being regarded as quite similar in sense as the publication in German entitled "Germany and the World War." This is exactly what happened in Germany shortly before the World War and in Japan today, where the already intensive patriotism is allowed to be developed into extreme imperialism. Japan is the only country now in the world where the militarists have a quite free hand in politics. Every one will realize the dangerous situation ahead.

On the part of China, China of today is materially different from that of the last century. The intensive national feeling is rapidly growing. The Chinese talk and claim very much nowadays the sovereignty, territorial and administrative integrity, etc.—all of which were unknown to them in the last century. The Chinese have made many efforts to abolish the unequal treaties before their expiration, also of extrality and to take back all the foreign concessions in China. The Government could now never sign, and the people would never allow the Government to sign any treaty derogatory to the Chinese national sovereignty. Any rumor of possibility of signing a treaty, the contents of which have been reported as derogatory to the Chinese sovereignty, will subject the Minister of Foreign Affairs to personal danger.

Thus we have a situation where these two people, whose harmony is quite essential to the peace in the Far East, are developing respectively nationalism and fascism. As a result of this, these two countries will become bitter rivals and they will soon have to fight out the claim to supremacy and leadership in the Far East. The Sino-Japanese "quasi war" in Shanghai and the present Sino-Japanese conflict in Manchuria, are only the 'beginning" of the far more serious clash between the Japanese militarists' fascism and Chinese nationalism, which is destined to come in the near future!

Fascist Japan, World's Great Peril

But the growth of nationalism in China is generally welcomed by the world. The simple reason is that the existence of a weak China in the Far East is a danger to the world peace. A strong and peaceful China would help to solve world problems to a great extent. So all agree that the growth of Chinese nationalism is legitimate and, to more international-minded people, the Chinese legitimate aspirations should be met. But the growth of militarism or fascism in Japan is just the opposite. It is not only illegitimate, in comparison with the growth of Chinese nationalism, but is also a great menace to the world and is causing the world much worry nowadays, The rapid growth of fascism in Japan reminds the Chinese to arm themselves ready for the challenge, and also reminds the world that it is useless for them to assemble in Geneva where they try to solve the Sino-Japanese problem and to discuss the disarmament problems. It is far better for them to go back to their respective countries to tell their people that the world is by no means saved by the elimination of Germany and by the existence of the Anti-War Pact. The world has again returned to the situation about twenty years ago, when secret diplomacy was the order of the day, and when the powers devoted large portions of their national revenue for military purposes and when conquest of others' territories was considered as a national glory. It was imperialistic Germany which disturbed the world peace at the beginning of the present century, but it is "fascist and militaristic Japan" which disturbs the world peace in the middle of the present century! So the world must be on guard when the Island Empire is becoming more and more "fascist and militaristic."

Nanking, May 20, 1932.

Looted Articles on Public Sale in Chapei

BY PAUL K. WHANG (汪仲芳)

CHAPEI, the industrial section of Shanghai, has been literally turned into a dead district since Japanese occupation. Factories have been all tied up, and business houses, large and small, have been closed down. Busy thoroughfares, such as Paoshan, Paoshin, and Hengfeng Roads, have been deserted in the day as in the night. Chinese civilians, besides the people of Kiangpeh origin, are seldom seen on the streets, and women are conspicuous by their total disappearance, because the atrocities perpetrated by the Japanese soldiers have possibly scared them all away. Searching parties composed of Japanese plainclothes men and Kiangpeh people have been posted at every crossroads, and to go through a mere distance of 100 yards one is sometimes subjected to search as many as a dozen times. Any valuables, if found on the body of the pedestrian, will be more often than not relieved by the searchers, and if the victim dares protest, he will be threatened with death. Foreign attired Chinese are especially subjected to vigorous search, and their entry is frequently refused. Oftentimes innocent Chinese have been placed under arrest on the alleged charge of being "dangerous spies." Once they are arrested, they will be vigorously prosecuted by some self-appointed authority without due process of law, and their release will ultimately rest upon the payment of ransom money. Only recently two Kiangpeh women have been added to each searching party so as to give some convenience to female pedestrians who hitherto nad to go through the terrible experience at the hands of male searchers.

Elastic Assessments

The action taken by the Japanese in disslving the Northern District Peace Preservation Committee, a puppet government in Chapei, really amounts to nothing more than to silence temporarily foreign criticisms and attacks. The same gang of "hooligans" headed by Hu Li-fu and Huang Tu, president and vice-president respectively of the former committee, are reported as being busily engaged in setting up a new organization under the name of "Chapei Citizens Self-Governing Council," which, as the Committee did before, will undertake to issue passes for the residents to go through all sections of Chapei and to remove their luggage to the Settlement. It is said that the Council will only get 40 per cent of the total receipts derived from the issuance of such passes, while the rest of the amount will be handed to the Japanese authorities in Chapei. Hitherto luggage without passes, if removed, has been liable to be confiscated, and the proceeds from the sale of confiscated articles, as reported, have been also divided between the Japanese authorities and their puppets. In securing such a pass, the people must apply to the authority in charge, who will in due course send an appraiser to the house of the applicant to make an assessment based allegedly on the value of the goods to be removed. The decision of the appraiser is very elastic, and it all depends upon the amount of "cigarette money" offered by the applicant. Recently many gambling houses, opium dens, and brothels have been opened up on the payment of a certain amount of taxes to the Japanese authorities, and it is reported that the brothels have done very good business among the Japanese soldiers.

Having some business connection in Chapei, I have to make several trips there every month. Though my experience in having myself subjected to frequent search is nothing pleasant, yet I have witnessed many interesting happenings which should be made known to the public.

Right after the cessation of hostilities between the Chinese and Japanese forces, I together with one of my silk friends went to Chapei for the purpose of investigating whether his filature had been damaged. Upon arriving at the premises, we found that the door of entrance had been broken down and the office room had been occupied by two Japanese plain-clothes men and eight Chinese coolies. As soon as they learned that my friend was the proprietor of the filature, they demanded of him a "protection fee" of $1,000, and threatened to burn down the building if the demand was not complied with. After much bargaining, the fee was finally reduced ot $200 which my friend promised to send to them the following day. But in spite of the payment of this "protection fee," nearly all the movable articles in the filature were taken away at the time when they left the premises.

Recently the same friend and I made another visit to the filature and discovered that about sixty basins were missing. Upon inquiry from the janitor, we were told that they were taken away by Kiangpeh people. Subsequently we took a walk along the Hengfeng Road, and to our great surprise we found that many of those stolen basins were placed on public sale in several stores along the road. (As these basins were made in special form, being different from others, they could be easily identified.) These stores looked very much like the second-hand goods stores along the Peking Road, and had everything for sale from wearing apparels to house utensils. What surprised us the most was that nearly all these stores had the letters "Japanese merchants" on their signs. In one store, where six lost basins were on display, we noticed besides the big sign "Japanese merchants," a scroll of paper on the wall, inscribed with these words, "Any one who dares ruin the reputation of this store will be arrested and sent to the Japanese Military Headquarter for punishment." Alongside this scroll of paper, a proclamation bearing the seal of the Japanese Military Headquarter was posted stating to the effect that Chapei people who conducted their legitimate business would be accorded full protection and any disturber of peace would have servere punishment meted out to him. To conduct our investigation a little further, we found that there were altogether seven stores of this description along that road, and that the operators of these stores seemed to be of the Kiangpeh people. Upon inquiry at those who lived in the neighborhood, we were told that these stores had been newly established, and that all the articles on display were seized from private houses.

After ascertaining the whereabouts of these lost basins, my friend approached the authorities of the puppet government for their recovery, but could not get any redress after making as many as three calls. At last he, through the friendship of his friend, got into touch with the Japanese authority, who, however, instead of satisfying the wish of my friend, advised him to open his filature at the earliest possible moment in order to prevent further cases of looting if the filature remained vacant, adding that the Japanese army would do no harm to Chinese citizens, but on the contrary would give every protection to those who conducted legitimate business in the Japanese occupied areas.

Kiangpeh or Japanese?

So far I have not been able to ascertain who are the real proprietors of these stores, either the Japanese or the Kiangpeh people. Judging from the big letters, "Japanese merchants," appearing on some of the signs, we have reason to believe that some of the stores are owned and operated by the Japanese. In order to be fair-minded, we might also say that these stores are actually run by the Kiangpeh people, who have registered their firms with the Japanese authorities upon the payment of certain fees. But no matter who are the actual owners, that these stores have received Japanese protection goes without saying. What is the most curious thing of all is that the owners of these stores, who are apparently under the apprehension that the articles on display may be claimed by their genuine owners, have guarded their position by intimidating the public through a written notice on the wall that any one who dares ruin their reputation will be punished by the Japanese authorities, so that the people who have identified their stolen articles in those stores will not venture to claim their ownership. Thus under the Japanese protection, the Kiangpeh people and their Japanese masters can easily amass a fortune by seizing the movable articles from vacated Chinese houses in Chapei and elsewhere under Japanese occupation, and afterwards placing them on public sale. It is a known fact that all the Chinese houses in Chapei and other Japanese occupied districts have been looted by the Japanese and Kiangpeh people as many as three and four times, and that in most cases even bulky furnitures have been moved away. Therefore it was only natural that these looters would get together to open up some stores to dispose of their looted articles, so that they can, to use a business phrase, convert the fixed assets into current assets and get away with their riches without any inconvenience.

Shanghai, May 16, 1932.

Japanese Capital to Dominate Economic Life of Manchauia

BY E. U. BARUNG

Harbin, May 9, 1932

MR. Takayama, director of a leading Japanese firm (Totaku) now on a tour of Manchuria, arrived in Harbin yesterday. The firm of Totaku is one of the largest credit concerns in Japan. Its numerous branch offices operate in Manchuria as well as in Japan. Mr. Takayama is looked upon as one of the most prominent economists and financers of Japan. His object in his present tour of Manchuria is to make investigations into the conditions as they are now in the country with a view to development of the business of the firm on a scale larger than it hitherto has been carried on. The chief line of business of the firm of Totaku is advancing money on the security of immovable property. The firm is a holder of debentures in several enterprises. There are many big buildings in Harbin and elsewhere in Manchuria which are heavily mortgaged with Totaku. In his interview with local pressmen Mr. Takayama said that the capital of the firm invested in Manchuria amounts to 250,000,000 yen. He also said that the numerous owners of real property who are in debt to the firm, owing to the present economic crisis, are in difficult financial circumstances. In order to help them out he said plans are being devised and measures taken by the firm for palliating the difficulties; on some particular occasions, he said, the terms of payment of the principal may be extended and the rate of interest may be lowered.

Buildings to Go into Japanese Hands

But it is reported that such facilities as mentioned above are granted to only a few. The majority of makers of promissory notes to the firm are dunned persistently and in an imperious tone by the representatives of the firm, so that thé delinquent debtors are in danger of losing their mortgaged property through compulsory auction sales. Although, because of the conflict and the indefinite political situation in Manchuria, houses in Harbin and other towns are so cheap as to be offered at half of their real value no one will buy them, except Japanese.

Japanese Capital is Unopposed

Japanese capital, the way for which is now being cleared by the bayonet of the Japanese army operating to Manchuria, is going to start its unchallenged domination of the economic life of Manchuria. The Chinese capital in Manchuria is too insignificant to be reckoned with. The foreign capitalists because of the unstable political situation in Manchuria have been during recent years too wary to make any considerable investments. The Russian capital in Manchuria is rapidly going over too Chinese and Japanese hands. The Russian capitalists came into the country and prospered under the protection of the old Tsarist government and with the financial support of the Russo-Asiatic Bank and other Russian banks such as the Far Eastern Jewish Bank, the Mutual Credit Corporation Bank, and others, all of which have ceased to exist; and the Russian merchants left unsupported are rapidly and steadily losing ground. Many large Russian firms such as Tchurin and Co., the leading import firm in North Manchuria, Vinokuroff and Co., big dealers in furs and winter articles of clothing and footwear are so much indebted to the banks that the business of these firms is conducted under the control of appointees of the banks. All the large flour mills in Harbin were built by Russians, but most of them have passed into the hands of Chinese private firms or semi-governmental ones, the latter being now controlled by the Japanese.

The Russian Merchant Class Is Doomed

The large Russian merchant class in Manchuria is doomed. Formerly the merchants would hand their business down to their sons who were accordingly educated, mostly through undergoing instruction as apprentices at various sorts of business enterprises. Now the fathers, seeing that they will soon have no business to hand over to their issue, send them with what funds are left to universities in foreign lands.

Japan to Develop Gold Mining in Manchuria

Recently it was reported that the Japanese are going to develop the gold mining industry on the largest possible scale in Manchuria, where the gold deposits, according to estimates of Russian geologists amount to about five million yen. Because of scarcity of gold deposits in Japan and Korea the annual output of gold in those two countries taken together amounts to 30,000,000 yen. In the near future a special expedition of Japanese geologists will start for the northern regions of Heilungkiang province to explore the auriferous valleys there.

The Japanese Plan to Build a City in Manchuria

The Japanese plan to build a large city, New Osaka, in Manchuria near the town of Taonan. Thirty large merchants of Japan are ready to take part in the building of the city. A party of surveyers have been sent to find a suitable lot of land for the purpose.

Japanese Manufacturers Undertake Sheep-Breeding in Manchuria

An association of Japanese manufacturers is reported to be undertaking development of sheep-breeding in Manchuria and Mongolia, where there are at present about 9 million sheep of low breed, each sheep yielding only 1½ kilograms of wool an average, per year. The manufacturers plan to bring within three years the number of sheep up to 30,000,000 head, and through crossing the Manchurian sheep with better breeds to improve the wool and get a larger quantity of wool per sheep. If these plans are realized the Australian wool will be to a large extent displaced by the Manchurian wool on the Japanese market.

Fighting in Manchuria to Be Depicted on the Screen

Captain R. E. Strong, representative of Tobis Mail Film, a leading cinema production concern in Europe, has arrived in Harbin. According to him, since the outbreak of the Sino-Japanese conflict only one picture showing the battles at Shanghai and Chapei has been produced by Fox Company and presented at Geneva and other large cities of Europe. Because of the tremendous interest in the events in Manchuria the above-mentioned European concern has decided to produce a film showing not only battles and episodes of the war, but also throwing light on things causing the conflict.

Memorial Day Celebration in Shanghai

Memorial Day (May 30) will be appropriately celebrated by the American community in Shanghai. The arrangements are in the hands of the Commander of the American Company, Shanghai Volunteer Corps, conjointly with the Commander of the American Troop, S. V. C. A parade consisting of the following participants will form at 8.30 a.m., at the Race Course and proceed to the Bubbling Well Cemetery along Bubbling Well Road:—The Third Battalion of the United States 31st Infantry; Thirty-first Infantry Band; Fourth Regiment, United States Marine Corps, three Companies, and United States sailors, one company from the U.S.S. *Rochester*; the American Company, S. V. C.; the American Troop, S.V.C.; Boy Scouts of America, Community Church Troop; Veterans in motor cars.

Judge Milton D. Purdy will officiate as Master of Ceremonies. The address of the day will be given by Edwin S. Cunningham, on the subject: "Washington, the Soldier." The American Women's Club will decorate the 120 graves of deceased American servicemen buried in Shanghai.

Lady Gladstone Finds Her Grey Hair Greatest Asset In China

A graphic account of the effects of the Japanese bombardment in Shanghai was given by Viscountess Gladstone in an address at the headquarters of the Overseas League in London May 20.—"My visit to China was so happy," she said, "that these last days were a sad, terrible memory."

Paying a tribute to the chivalry of the Chinese, Viscountess Gladstone declared: "My grey hair was my greatest asset in China. I was treated with the utmost respect because of it. That was a very nice thing, unfortunately, does not apply everywhere else."

Sir Frederick Maze Receives New Honors

In a brief ceremony at the British consulate at Nanking May 19, E. M. B. Ingram, Counsellor of the British Legation, handed to Sir Frederick Maze, the Inspector-General of the Chinese Maritime Customs, the insignia and grant of dignity of a Knight Commander of the Order of the British Empire. The ceremony took place in the presence of the staff of the Consulate and the British senior naval officer, as well as of Dr. Lo Wen-kan, the Minister for Foreign Affairs, and Hsieh Ping, chief secretary of the Directorate-general of Customs, J. M. H. Osborne, the Commissioner of Customs, and Chang Kuan-nien, Superintendent of Customs.

How Manchukuo Was Brought into Existence

BY SHEN HSUE-CHUAN (沈學傳)

IT has been the traditional diplomatic policy of Japan when absorbing adjoining territory first to help it to become independent, then force it to become a protectorate, and finally annex it as her own territory. This has been the case in Korea. Since the annexaton of Korea Japan has been watching for a chance to try this policy in Manchuria. Therefore, since the Chinese Revolution in 1911 the Japanese militarists who manipulated the Japanese Government designed to utilize the king Chieng Soo (王敬崇) of the Manchu dynasty as a figurehead to declare the independence of Manchuria against China proper. But this plot of the Japanese militarists did not materialize on account of the disapproval of the diplomatic authorities of the Japanese Government. However, in the year 1916 the Japanese Militarists utilized the king, Chieng Soo, to proceed with the plan of declaring an independent state in Manchuria. Japan recruited and organized an "imperial army," for him at Dairen. Thus it at last produced a clash of Sino-Japanese troops at Chengchiatun. Realizing the futility of utilizing Chieng Soo, Japan then asked the late Marshal Chang Tso-lin to declare Manchuria independent. But he declined to consider such an adventure. Being angry because of the Marshal's refusal of her suggestion Japanese militarists in June 1928 bombed his train near Mukden while he was returning from Peiping and killed him. As soon as Marshal Chang Hsue-liang came to his father's place, Japan sent a confidential messenger to Mukden with the object of dissuading the Marshal from uniting with the Government at Nanking. Chang Hsue-liang, nevertheless, has co-operated with the Nanking Government. Realizing the failure of its plots the Japanese military adopted other tactics on the night of Sept. 18, 1931. Immediately after the occupation of Manchuria, Japan began her long-desired independent government and by making a disturbance at Tientsin carried the deposed Emperor Pu Yi from Tientsin to Dairen. Through various vicissitudes the so-called Manchukuo, the bogus state, has been established with its capital at Changchun. Pu Yi at first declined to proceed, but consented when threats were made on his life.

Japan Does Not Allow Chinese Puppets to Talk

Immediately after the occupation of Manchuria, in order to hoodwink the world, Japan forced Yuan Kin-kai to organize a Local Peace-Preservation Committee at Mukden. The secret of Japan's plot in establishing a state in Manchuria has been disclosed by Yuan Kin-kin. On October 17 last Mr. Yuan dispatched a circular telegram which included such prases "not organize a separate government nor declare independence." Japan was very angry with him on hearing his attitude by these words. Once Mr. Yuan told two German journalists, "The Japanese have advised me to set up a new government, but I have bravely resisted the establishement of an independent government. Japan has wished Manchuria apart from China. But she pretends that she does not mean to take Manchuria away for herself. In the opinion of Japan an independent state may be established by the Chinese but under the auspices of Japan, with many Japanese engaged as advisers. If this plan is carried out, Manchuria will become a second Korea." From then on Mr. Yuan has not had freedomn to talk with any visitor. Japan then forced Chang Shi-Yi, governor of Liaoning province, at that time imprisoned by Japanese at a certain place in Mukden city, to be the governor of Fengtien province. He is not free either. Even Japanese visitors are not allowed to talk with him, without the permission of the Japanese Military Headquarters. Japan not only wants to make Manchuria independent, but Mongolia also. After the incident of Sept. 18 Japan asked the Mongdian chief Ta Er-han (達爾罕王), then living at Mukden, to instigate all the Mongolian chiefs to declare their independence. However, he refused and fled to Peiping.

Since the occupation of Manchuria the Japanese have often held Manchurian-Mongolian disscusion meetings with the object of perfecting some efficient method for Japan to deal with Manchuria and Mongolia. The Japanese have steadily persisted in separating Manchuria from China. Jiro Minami, then Japanese War Minister, was the most important figure among those who staged the Manchuria Incident. During the time of his travels and investigations in Manchuria he was quoted in the Japanese papers December 20 as stating: "From now on there is only a political problem left. The present incident is certainly a Manchuria revoltion with the object of driving out the old administrative power. Therefore, the old administration should be withdrawn inside Shanhaikuan. The fundamental principle is to set up a new administrative power capable of keeping peace and order between the Chinese, the Japanese, and other foreigners. It is quite fortunate that the new administrative power has been established at Mukden, Kirin, and Tsitsihar. After three months the old Chinese administrative power has disappeared, etc."

On Jan. 6, after arriving at Moji from Manchuria Mr. Minami solemnly told the Japanese journalists: "In the present situation in Manchuria three underlying factors must be brought about on the spot. One of them is the independence of Manchuria. The administrative procedure of the new Manchurian Government can not be allowed to be interfered with by any third nation. Japan was in earnest in setting up an independent government in Manchuria but at first she found no proper figure to be utilized as a puppet. Later on she thought of Pu Yi, (溥儀) the deposed Emperor of the Ching dynasty who was then living in the Japanese concession at Tientsin. It will be remembered that in March 1925, Pu Yi, fearing arrest by Marshal Feng Yu-hsiang, who at that time laid hold of Peiping, ran into the Japanese legation where he remained several months. There he was secretly protected and sent out by the Japanese officers to the Japanese concession at Tientsin where he took up his residence. Japan immediately began to prepare Pu Yi for "future use."

Last November, when the question of making Manchuria a separate state came to a head Japan sent the notorioas Colonel Doihara to Tientsin to persuade Pu Yi to proceed to Manchuria to set up an independent state. Pu Yi at first declined to consider this overture. Nothing daunted, Doihara next resorted to intimidation by sending him a bomb. Then he cut off the water-supply to the residence of the ex-emperor. Eventually, Pu Yi yielded to Doihara's threats and allowed himself to be smuggled to Dairen on board a Japanese steamer on the night of November 10. Tientsin was at the time in the throes of disturbances created by a gang of plain-clothes men who used the Japanese concession as the base of their operations against the Chinese district. Pu Yi left the port in the disguise of a Japanese private and boarded the steamer at Tangkn. After he had left, it was give out by the Japanese that his departure was necessitated by the disturbances in Tientsin and the Japanese only protected his life and property; but the truth is, as everybody knows, that these disturbances were stage-managed by the Japanese for the puspose of smuggling Pu Yi out of the port. After Pu Yi arrived at Dairen, he was taken to Mukden. The original intention of the Japanese militarists was to restore the Manchu monarchy at once with Pu Yi at its head, but owing to the disapproval of the Japanese diplomatic authorities who feared unfavorable reactions abroad, this plan was abandoned. Pu Yi was then removed to Port Arthur, where be was not even allowed to receive visitors. Then Japan launched the movement for the establishment of an independent state, the Republic of Manchukuo. Realizing that Pu Yi would be more tractable to their wishes than other candidates, the Japanese militarists made him the President of the republic of Manchukuo. They took him to Mukden again on Feb. 21 and on March 6 to Changchun, where he was installed as the president of the republic of Manchukuo. Though he is the leader of the new state yet he has no freedom in anything—now more than ever a prisoner of Japan. The inauguaral ceremonies were managed entirely by the Japanese militarists and even the Japanese journalists were excluded from participation. This shows conclusively that the whole thing was staged by Japan.

On Feb. 28, a Japanese-managed meeting of the representatives of the whole Liaoning provinces was held at Mukden at which representatives were forced to pass a Japanese-planned declaration. There was another large demonstration of the Northern people managed by Japanese militarists on Feb. 29 at Mukden. The conductor of the procession who hoisted the new state's flag was a Japanese disguised as a Chinese. The second motor car was also occupied by Japanese in Chinese clothes. The last part of the procession included proletarian Chinese hired at from two to ten yen a day. All the new state flags were made in Japan. The demonstration was staged entirely by the Japanese militarists. Besides bribing the proletarians to do ugly propaganda works, Japan browbeat the local authorities and schools to acknowledge the independence of Manchuria and forced them to sign their names. By this underhanded method Japan tried to deceive the world into believing that the independence of Manchuria was a voluntary movement. But it is quite evident from the foregoing facts that the bogus state was established by Japan herself.

Peiping, May 19, 1932.

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Opposition to Peace Agreement

BY PAUL K. WHANG (汪仲芳)

THE local peace agreement was finally signed on May 7, and its text, as published in the press, consists of five articles and three annexes. This dramatic turn in the local situation culminating in the conclusion of the armistice at the resumption of the Sino-Japanese peace conference which was broken down after fourteen long and protracted meetings has caused not a little surprise to the Chinese populace, who have suspected that China has signed away her political and territorial rights under the dictation of the Japanese. Their suspicion has been all the more enhanced by the fact that prior to the resumption of the peace conference news reports from Japanese sources alleged that China had yielded to the Japanese on many points including the much debated question of keeping Chinese troops in Nantao and Pootung; and also by the fact that Chinese delegates and officials, for some reason or other, pursued a "hush-hush" policy, and chose to keep the public in darkness as to the nature and contents of the agreement until its conclusion. Because of this suspicion, a number of delegates representing the local public organizations, it may be recalled, called on Mr. Quo Tai-chi, China's chief delegate to the Conference, at his residence on the morning of May 3 asking for an elucidation on the peace terms, and unfortunately some radical students, after charging him with being "willing to enter into negotiations with the Japanese which would infringe on the sovereign rights and territorial integrity of China," perpetrated some atrocities on his person. This public suspicion has not subsided even with the publication of the agreement after its signature. On the other hand, the Chinese public has rather been of the belief that the actual text contains some other annexes or minutes which the Nanking government dares not disclose for fear of the public opposition. Acting under this impression, eighty-nine local public organizations including the Shanghai Chinese Ratepayers' Association have sent telegrams to Nanking and to Geneva denouncing the validity of the agreement binding the Chinese people. This public opposition has been so strong that at one time it was feared that some shrewd politicians might make some political capital out of it in their movement of discrediting the Nanking government. The belated assurance from the government leaders that there has been absolutely no secret annexes or minutes attached to the agreement can hardly satisfy the people when their suspicion has already been aroused to the degree and firmly rooted in their hearts.

Chinese Delegates Too Secretive

Whether actually exist some secret annexes or not, can not be told. But in order to be fair to the government, I tend to think that the leaders of the Nanking government, who are the avowed followers of Dr. Sun, would not stoop so low as to resort to secret diplomacy to sign away China's political and territorial rights. Thus the present agitation, I at least hope so, may arise out of mis-information on the part of the public, who, while being unable to learn anything beforehand as to the nature of the agreement from the reliable Chinese press due to the official silence, had to rely for their news on the Japanese press and "mosquito" papers, which have always exaggerated and colored the news for the purpose of serving their ulterior motives. I have my reasons to make this statement, because pending the signing of the agreement many Chinese reporters informed me that they could not get any hint as to the nature of the agreement from the Chinese officials for the alleged reason that the time was not mature for its publication, and that they had to translate peace terms from the Japanese press which published the text of agreement several days before its signature. This over-precaution on the part of Chinese officials has been largely responsible for the present manifestation of public suspicion toward the peace agreement.

Leaving out secret annexes or minutes, the text of the agreement itself as published is still far from being a satisfactory piece of work to the Chinese. Lack of a definite time-limit in the text for the complete withdrawal of the Japanese troops from Chinese territory has constituted a sufficient ground for the Chinese to oppose its acceptance. The peace conference was broken down last month principally because of the controversy over the time-limit, and the Chinese delegates were quoted as stating that they would accept nothing short of a definite time-limit. Therefore there is no reason why they should now accept an agreement in which the term relative to the withdrawal of Japanese troops is as vague and indefinite as that to which they previously objected. True, we need sympathy from the League of Nations and the friendly neutral Powers, and so we have to give ground to accept their good offices so as to make the liquidation of the Shanghai crisis possible. But we should not go over the limits to accept foreign good offices by totally disregarding the infringement on our sovereign rights. The presence of Japanese troops on the Chinese soil indefinitely, as a matter of fact, constitutes an infringement on Chinese sovereign rights, and, what is in more, will prevent the local conditions from returning to normalcy. We can find nothing optimistic in reading the news reporting that at a meeting of the Japanese Military Authorities at Tokyo, on May 11, it was decided to withdraw the Japanese troops now in the Shanghai area to their original posts in Japan within a month, because we are at the same time warned by General Araki, the Minister of War of the former Inukai cabinet, that "unless China reconsiders her attitude against Japan a second and a third so-called 'Shanghai incident' might occur." This withdrawal, if it is actually carried out, is, to be sure, not due to the sincere penitence on the part of the Japanese government of their past misdeeds, but due to the military necessities in Manchuria. Who will be so credulous as to believe the Japanese alleged reason of withdrawal that Japan desires to prove that she has no ulterior motives in dispatching troops to Shanghai?

Another thing we like to know is whether the Chinese government officials have still considered that the Shanghai case and the Manchurian event, because of their close relations, should be dealt with as one single problem. So far in the local peace conference as well as in the text of the agreement, we have neither heard nor seen anything touching upon Manchuria. Judging from the present march of events, we are inclined to think that the Chinese government has possibly forgot the close relationship of these two cases. Dr. Lo Wen-kan, Minister of Foreign Affairs, in a press interview on May 6 asserted that the Manchurian problem would be more difficult of settlement than the Shanghai question has been. From this assertion, we can not help thinking that the Chinese government may leave the hard problem unsolved indefinitely. At another press interview on May 13, Dr. Lo was quoted as saying that there would be no round table conference until the Japanese withdraw from Manchuria. We doubt if the Chinese government will not give ground on that point as it did before under the Japanese pressure.

The Relationship Between Shanghai and Manchuria

Fundamentally China will lose more by settling the Shanghai problem separately from the Manchurian case with the Japanese at the present time. Economically it must be admitted that the settlement of the Shanghai problem will contribute to the returning of the local conditions to normalcy thereby bringing benefits in the form of business to the merchants and in the form of revenue to the government. Moreover, the assurance of a permanent peace will lead to the re-opening of factories located in the war area thereby reducing the number of unemployed, and will also enable the country people to indulge in their agricultural pursuits before the season is too late. But this economic gain here can not compensate the military loss in Manchuria. Through the settlement of the Shanghai problem, the Japanese government has been enabled to transfer her troops from here to Manchuria, thereby strengthening her position to meet the Anti-Manchukuo forces. Since the Japanese invasion in Shanghai, Japan has to divide her attention to carry on costly wars in two different regions, but her financial strength does not permit her to wage two wars simultaneously and indefinitely. Therefore she will be only too glad to get out of Shanghai, so that she can apply her whole available forces to the pacification of Manchuria in fulfilling her widely-advertised promise of making it "a paradise on earth." Japanese anxiety over Manchuria has been especially intensified, when the very existence of her puppet government has been menaced

(*Continued on page 445*)

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The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

Peace in the Far East

JONATHAN MITCHELL*

(In "New Republic," April 20)

THE PRESENT inconclusive and seemingly lackadaisical negotiations at Shanghai are, in fact, of immense importance. For two generations the Far East has been a breeding place for big and little wars. As long as no stability is achieved in Far Eastern international relations—as long as the partition of China, in other words, remains possible and even likely—it is fatuous to believe that America, England and Japan will ever submit to genuine naval disarmament, or that the world will have any assurance of peace.

The United Sates and the League Assembly have announced that the Japanese forces must evacuate Shanghai, and that the new, comic state of Manchoukuo must be dissolved and jurisdiction over Manchuria handed back to China. It seems a safe prediction that while General Sadao Araki, who is developing into a sort of Japanese Ludendorff, remains Minister of War, no Japanese Cabinet will consent to these terms. Yet if there is to be real peace in the Orient, not only must Manchuria be surrendered and Japan's army recalled, but positive measures must be agreed on for strengthening China's government.

The most obvious step is the abolition of extraterritoriality. The question of extraterritoriality is calloused and blistered from overmuch discussion, but apparently it is not realized how much it had to do with Japan's aggression last September, nor how profoundly its abolition would alter the whole problem of foreign imperialism in China.

At the 1922 Washington Conference, China received vague promises concerning extraterritoriality. Nothing, however, was done until 1928. In that year, the Kuomintang armies swept northward from Shanghai; a new central Chinese government was created and C. T. Wang, perhaps the most useful public servant modern China has had, became Foreign Minister. (This is the Wang who was beaten half to death by student patriots last September for not declaring immediate war on Japan.)

Wang's first task was to obtain tariff autonomy for China. This was a matter of some importance. China was forbidden by treaties with most of the nations of the world to have a tariff of more than 2½ percent. Since customs duties were almost the only source of revenue not preempted by provincial warlords, these treatics condemned any central Chinese government to relative poverty and weakness. Within a year, Wang succeeded in obtaining new, "equal" tariff treaties with every country except Japan.

In the Footsteps of Tanaka

The Japanese government of Baron Tanaka, throughout 1927-28. had fiercely opposed the Kuomintang. China replied by an anti-Japanese boycott. Partly because of this boycott—which was not nearly so stringent as the present one—and partly because of revelations of governmental grafting, BaronTanaka was dismissed by the Emperor. (He died immediately afterwards.) The succeeding Hamaguchi-Shidehara Cabinet proclaimed peace with China, and an "equal" tariff treaty was signed in May, 1930. China was prohibited, however, from imposing a tariff of more than 2½ percent on Japanese cotton goods for a period of three years. (It is a commentary on the dark and bloody nature of Oriental politics that Hamaguchi was shot six months later by a patriotic gunman; Shidehara has recently completely dropped from sight, reputedly ill of a mysterious disease.)

Meanwhile, C. T. Wang was pressing hard for the abolition of extraterritoriality. The four oldest extraterritoriality treaties, with the United States, Great Britain, France and, oddly enough, Brazil, granted extraterritoriality in perpetuity; the rest contained clauses providing for renewal at the end of each ten years. All these later treaties came up for renewal between 1926 and 1929, and China refused to renew. The legal position of foreigners in China (other than Americans, Englishmen, Frenchmen and Brazilians) was thus dubious, and this fact was a weapon in Wang's hands. The first country to give in was Belgium. It consented to surrender all special privileges; Belgian Nationals in China were to have the same status as Chinese. This was not to take effect, however, until all other nations had done likewise. Countries with renewable treaties followed Belgium's example in rapid succession, with the sole exception of Japan.

Under Baron Tanaka, Japan declined to admit that China had the right to refuse renewal. Under Hamaguchi and Shidehara negotiations were opened with Wang. The course of these negotiations was never revealed; the chief thing known about them is that the Japanese envoy, Sabura, committed hara-kiri in the garden of the Japanese Legation.

Wang still had to deal with America, England, France and Brazil, the four nations with perpetual extraterritoriality treaties. During last spring and summer, Wang conducted active negotiations with the first three of these countries. (Brazil was ignored to the great injury of its national pride.) It can be stated on the best authority that last September, when the Japanese army moved on Mukden, final treaties were in process of being drafted which would have ended extraterritoriality completely and forever.

The Japanese army's invasion of Manchuria last September contained an element of psychopathic terror. In 1933, China could strike at Japan's cotton-goods industry through higher tariff rates. China, in fact, need not wait until then. By adopting some form of the European quota system, China could at any moment establish what, for all practical purposes, would be a governmental and thoroughly legal anti-Japanese boycott. Far more alarming was the abolition of extraterritoriality. It would not only hurt Japan's interests in China proper, but it might very easily endanger the whole Japanese position in Manchuria. Japanese army officers were accustomed to think of the South Manchuria Railway zone as being as much Japanese soil as the streets of Tokio, but if all the other nations of the world gave up extraterritoriality and retroceded their leased territories (as England had retroceded Wei-hai-wei, for example,) and their individual concessions, China would be certain to press for Manchuria's return. Japan's title to the South Manchuria Railway after 1938 will be-legally shaky; according to Japan its lease was extended to 2007 by one of the notorious Twenty-one Demands of 1915, but Chinese authorities deny this.

The Japanese military carries within itself a deep and poetic sense of doom. Cut off from the Asiatic mainland, the Japanese islands would be without resources to sustain a major war. On the day a renascent China ousts Japan from Manchuria, Japan will become militarily and politically (as it has already become economically) dependent on China. It will have a relationship to China not unlike Cuba's, for instance, to the United States, and the Japanese army and the splendor of the one hundred and thirty-second son of the Sun Goddess will then be pointless luxuries.

The Abolition of Extraterritoriality

The abolition of extraterritoriality is important for two main reasons. The first is that it means the eventually giving up by foreign countries of the right to station troops in China. These troops have been used repeatedly to intimidate and humiliate China, which partly explains why no central Chinese government has been able to get the respect and loyalty of China's youth. The Japanese garrisons in China proper have been one of the most potent weapons of the Japanese Foreign Office, and the ending of this right might do a great deal toward cooling down the present frenzied belligerence of Japan's militarists.

The second reason for abolition of extraterritoriality concerns its deadly effect on the Chinese themselves. As things are now, a large element of China's population declines all responsibility for the central government. If the fourteen principal cities of the United States, were taxed, policed and otherwise administered by foreign nations, very likely our own bankers, industrialists, merchants and professional classes would feel only a vague, sentimental interest in Washington. The myth of the congenital political incapacity of the Chinese—so strenuously circulated by Japan at Geneva—is nonsense; the chief reason the Chinese tolerate weak and disorderly central government is because, while they are able to carry on their affairs in foreign concessions and settlements, the character of their government does not acutely matter.

Japan is making the present negotiation at Shanghai turn on the security of Japanese nationals within the Shanghai International Settlement. There are clear indications that Japan wishes the Settlement boundaries extended northward to include part of Chapei's ruins, and eastward to include the Woosung Forts area. There is excellent authority for believing that, within the last two weeks, the Japanese have approached the Great Powers and said in effect: "We propose to keep extraterritorial rights

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*Jonathan Mitchell, American newspaperman, formerly European correspondent of the *New York World*, author of recently published book, "Goose Steps to Peace."

for our citizens at all costs. We are realists; we know the Chinese. If you do not want your nationals butchered and your trade wiped out, you will quietly drop this mad idea of abandoning extraterritoriality, and come along with us."

France has never been overly enthusiastic about giving up extraterritoriality. The Tory British Cabinet to today is a very different group from the pro-Indian, pro-Chinese Labor government of two years ago, when C. T. Wang began his campaign for "equal" treaties. Many members of the present Tory Cabinet still believe devoutly in the policy of the strong hand for Asia, and are half-regretful that Britain has surrendered its alliance with Japan. Apparently the United States is the only Great Power prepared to go ahead with the abandonment of extraterritoriality.

It is not true that abolition of extraterritoriality by itself will bring stability and everlasting peace to the Far East. No treaty, no matter how many seals and signatures it bears, can do that. What the abolition of extraterritoriality can do it to provide the constitutional basis, so to speak, upon which alone stable and peaceful relations between China and the Great Powers, and particularly Japan, can be erected. Once China becomes master of its own house, a readjustment of its relations with Japan is inevitable—even if Japan for a time continues to hold part of Manchuria. (While Japan's military rulers may resist and hate it, a policy of conciliation with China would also be of immense economic benefit to the Japanese nation.)

After the meeting of the League Assembly last month to consider the Japanese-Chinese problem, it was reported that the League's Secretariat, backed up by the small League members, was pressing to have the League be given permanent supervision over Manchuria, much as it now has supervision over Danzig. More than a year ago, the League sent out Sir Arthur J. Salter to examine China's foreign borrowings, Dr. Ludwik Rajchman to reorganize the Chinese health service and Mr. Frank P. Walters to serve as political adviser to Chiang Kai-shek. It may be that a sort of diluted Western imperialism, administered by the League, would be the best thing to tide China over the next few years. It is also possible China will have to go through a social revolution before it becomes a stable country and before, consequently, there is stability and peace in the Far East.

In any case, there cannot be League control, revolution or peace as long as the Powers continue to remain in China. The present negotiations between Japan and China are certain to take a long while, perhaps months. The likelihood of a bargain by which Japan may agree to give up its handtailored state of Manchoukuo in return for a pledge by the Powers not to abolish extraterritoriality, is very good. The United States government is undoubtedly concerned about this possibility, and it may be that this is one of the reasons why Mr. Stimson is going to Geneva. The American advocates of peace ought to see to it that for once the Hoover administration ceases to wobble and stands firm.

Partial Estimates Put Japanese Losses in Shanghai Area at $664,910.89

The Japanese Consular Police authorities in Shanghai, have completed a portion of the investigations into damages and losses suffered by the Japanese residents and business circles during the recent Sino-Japanese hostilites. The total survey is expected to be finished by the end of next month.

According to estimates of damages and losses reported and checked so far, the "direct and material losses and damage sustained by the Japanese during the recent emergency period here reach no less than $664,910.89 or Yen. 443,515,37 at the current rate of exchange. This figure does not include those of the Rokusanyen Restaurant and Garden in Chapei and the Nomura Lumber Yard losses, both of which are believed to reach an enormous amount.

The Chinese Chamber's Letter to the League of Nations

Printed copies of the Open Letter recently sent to the League of Nations Committee of Enquiry by the Chinese Chamber of Commerce of Shanghai are being distributed. A particularly telling part of the Chamber's letter is the record of events which indicate how thoroughly opposed Japan was to China's unification, not the least important of which was the intimidation of Chang Hsueh-liang against the National Government.

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Chinese Oppose Foreign "Pressure" on Shanghai

The British Residents Association, at the head of which is H. G. W. Woodhead, a British journalist with more than two score years of experience in the Far East, has taken the lead in organizing the commercial interests of Shanghai to support a plan to bring about the convening here of a Round Table Conference of World Powers and China to "clarify the status of the city and port." In a letter to foreign chambers of commerce of the city the association has requested the commercial bodies to endorse a resolution asking the consular and diplomatic representatives of their respective nations to press for the convening of a Shanghai round table conference "at the earliest possible moment for the settlement of outstanding matters affecting the welfare and good government of Shanghai and that the Shanghai Municipal Council and the French Municipal Council be represented at such conference."

The subjects which it is proposed to discuss include the roads leading out of the Settlement, armed Chinese forces around Shanghai and the workings of the District Court. It is alleged that the Chinese armed forces around Shanghai constitute a "grave danger" and that the maladmistration of the District Court as regards civil cases is "notorious."

As was to be expected, the Chinese reaction to such a movement was instantaneous. Chinese official opinion at Nanking is that there is no prospect of holding a round table conference in Shanghai until Japanese troops have withdrawn from Manchuria into the South Manchuria Railway zone. Japan is of course, strongly linked up with any such conference, and according to the Washington correspondent of the *New York Sun* Japan has requested the United States to participate in a round table conference at Tokyo, to discuss joint measures for the protection of foreign nationals and property in China, with four other interested Powers, namely Britain, France, Italy and Japan. The correspondent added that the "invitation is causing Col. H. L. Stimson, Secretary of State, considerable embarrassment."

Chinese Bodies Oppose Conference

Various Chinese bodies are actively opposing the conference idea. The Shanghai Federation of Anti-Japanese and National Salvation Associations has expressed its strong opposition to the conference, incidentally, urging the Chinese to continue the boycott of Japanese goods. In a telegram to President Wang Ching-wei and General Chiang Kai-shek, the Federation expressed its misgivings concerning reports alleging that China had agreed at the recent Sino-Japanese conference to refrain from stationing troops in Nantao and Pootung. The telegram urges that Government troops be immediately despatched to these districts in order to dispel popular misapprehension. Reports alleging that the Japanese Government has secured the support of various interested Powers for the conversion of Shanghai into an "International Free City" were characterized by Chiang Tso-pin, Chairman of the Special Foreign Relations Committee, as entirely without foundation in fact. As regards the proposed Round-Table-Conference, Mr. Chiang intimated that while there are conceivable circumstances under which the conference might be convened, the present moment he considered premature. He pointed out that the Manchurian and Shanghai questions are inseparable and inter-locked issues and that the Round Table Conference can not be convened merely to discuse one aspect of the Sino-Japanese controversy.

The newspapers in Japan make almost daily references to the proposed round table conference particularly as regards it bearing on Shanghai. It was indicated that the Japanese Foreign Office intended to confine the projected conference to the discussion of matters bearing on the security of Shanghai and neighborhood and would refrain from laying before it the question of anti-Japonism and other issues which may more properly be discussed and settled by exclusive Sino-Japanese negotiation. The proposals to convert Shanghai into an international free city and to create a demilitarised zone around Shanghai will, however, be prominently brought forward. The *Japan Chronicle* says it is understood that in his interviews with the diplomatic representatives of Britain, the United States, France and Italy at the Foreign Office, Mr. Yoshizawa, the Japanese Foreign Minister, broadly hinted at his intention to ask these Powers to arrange matters to the exclusion of China, should China refuse to attend the-round-table conference, and seek China's *post-facto* approval for their decisions.

Mr. Yoshizawa, interviewed the British Ambassador, the American Charge d'Affaires, the French Ambassador and the Italian Ambassador separately in the Foreign Office on May 13. He explained to them the circumstances connected with Japan's decision to withdraw her troops from Shanghai and intimated Japan's desire for a speedy convocation of a round table conference at Shanghai in pursuance of the League Council's resolution of February 29 and the League Assembly's resolution of March 4. The Minister asked these foreign representatives to convey the wishes of the Japanese Government to their respective Governments so that Japan may be informed of their views on the matter as quickly as possible. Later the Japan Foreign Office issued a Communique saying that at the interview the Foreign Minister thanked these diplomatic representatives for the friendly efforts made by the Ministers of their respective Governments in China in the Sino-Japanese armistice negotiations and further explained to them the circumstances connected with the withdrawal of all Japanese troops from Shanghai. Although the Japanese Communique made no reference to the Foreign Minister's request for the good offices of the Powers concerned for accelerating the round table conference at Shanghai, it is believed that the Foreign Minister took the occasion to make such request.

Tutorship, not Tutelage

At the annual meeting of the China Association, held in London, April 20, S. F. Mayers, Chairman, strongly urged co-operation between China and the League of Nations. Until quite recently he said, the idea of China seeking such co-operation had been a main one. She had given no evidence of any desire for the League's help; rather the reverse. Latterly however, there had been a change: China had sought advisory help from the League in various problems of administration, such as finance, transport, public health, factory laws and notably flood and famine relief in respect to which Sir John Hope Simpson was now rendering valuable services. How, Mr. Mayers asked, should the League help China? His reply was, through men and money. The men would not seek to establish a foreign control over China, but would try to show her how to control herself. League tutorship not League tutelage, was what he had in mind, by which he meant a process of expert teaching in the arts of modern government, without any vain attempt at guardianship.

Shantung Revenue Now Controlled from Nanking

The question concerning the collection of national revenue in Shantung province, was definitely settled at Tsinan May 8, when nominees of the National Government took over control of various national revenue organs in Shantung.

Satisfactory arrangements have been concluded between General Han Fu-chu, Chairman of the Shantung Provincial Government, and General Chiang Po-cheng, representing the Central Government. Hereafter, national revenues collected in Shantung will be remitted to the National Treasury while appropriations for the Shantung Provincial forces will be disbursed directly by the Ministry of Finance.

The new appointees dispatched by the Ministry of Finance to take charge of national revenue collection in Shantung are Li Wu-chen, Director of the Stamp, Tobacco and Wine Tax Bureau; Li Feng-yao, Salt Commissioner; and Hsu Te-shan, Director of the Consolidated Tax Office.

Further Riots in Bombay

After a lull of a day and a half, rioting again broke out in Bombay (India) on May 18. Fierce communal battles were waged all day long. They started in the mill area where the population is predominantly Hindu, when a party of Mohammedan pedestrians was assaulted by Hindu millworkers. Six were killed and 30 injured during the day. As a result of the riots many residents of Bombay fled to Poona.

Irish Woman Sentenced for Harboring Revolutionary

An Irish woman named Savitra Devi was sentenced at Allahabad on May 19 to five years' rigorous imprisonment after having been convicted on a charge of harboring a proclaimed revolutionary. Savitra Devi is the daughter of an Irish missionary to India and is employed as a teacher in a girl's school in Allahabad. She married a Moslem but later embraced Hinduism. She appeared in court in Indian costume with a vermillion mark on her forehead, which is the sign of a married Indian woman. Yashpal fired a revolver at the police when they raided Savitra Devi's house to arrest him.

OPPOSITION TO PEACE AGREEMENT

(*Continued from page 440*)

by the growing strength of the Anti-Manchukuo forces and the relation with Soviet Russia has been in a strained state. In the face of this impossible situation, Japan has no alternative but to withdraw her troops from Shanghai and terminate "her altruistic service in fighting the battles of other nations in Shanghai," so as to keep safe the prize of Manchuria.

In letting Japan extricate herself from the Shanghai entanglement, China has virtually assisted Japan in tightening her grip in Manchuria. Therefore the Chinese government at the very beginning should realize this situation and refuse to enter into negotiations with the Japanese on the Shanghai problem alone. In this case, the Chinese government has again played into the Japanese hands, and can not allay the public opposition by merely vindicating itself that it has not signed a humiliating agreement.

Shanghai, May 20, 1932.

"Strains of Harmony"

BY PAUL Y. ANDERSON

(*The Nation, April 27*)

Of all the diplomatic Punch and Judy shows held on the international stage in recent years, the one now in progress at Geneva probably takes the cake for sheer hollowness and pretense. Does anyone seriously hope that it will result in the slightest measure of actual disarmament? Nonsense! That possibility has been sunk deeper than Atlantis since the day Premier Laval took his leave at the White House. During the pantomime thus far enacted the most comical gesture was provided by the American delegation in its suggestion to limit the use of *offensive* as distinguished from *defensive* weapons. Acceptance of the proposal would contribute much to the gaiety of a world turned melancholy. Fancy, for example, an international commission of experts solemnly determining at what stage of whetting a bayonet ceased to be defensive and became offensive! Or the respective calibers of offensive and defensive cartridges! Or the comparative strength of offensive and defensive poison gases! Nevertheless, let it not be concluded that under all this mummery nothing serious is occurring. Secretary Stimson is occupied with an extremely important mission, although it is concerned with war instead of peace. His real business is to ascertain, if he can, (1) the probable attitude of France and Great Britain toward the prospective dismemberment of China by Japan; and (2) the probable attitude of those Powers in the event of war between this country and Japan. Belief is strong at the State Department that such a war is inevitable within a few year. A similar belief prevails at the War and Navy departments, and it is coupled with a fervent desire for more time in which to prepare for it. It is not impossible that we shall experience the crowning irony of watching Bolshevik Russia holding the Japs back until we are ready. Therefore logic would indicate that our first step toward preparedness would be the restoration of formal and friendly relations with our prospective allies.

Prominent American Women Push Boycott of Japanese

A group of socially prominent women who have been conducting a private boycott of Japanese goods as a means of registering disappoval of Japan's actions in Manchuria and Shanghai announced in Washington May 21 that they had obtained 600 names on a petition to President Hoover and State Secretary Stimson, asking for a general American boycott until Japan ceases military action on the Asiatic mainland. Leaders in the enterprise include Mrs. Louis D. Brandeis, wife of the associate justice of the United States Supreme Court.

Wing On Mill Near Woosung Resumes Operations

A notice has been posted by the Wing On Cotton Weaving Company that the No. 2 mill between Wentsaopang and Woosung Village would be reopened during the week. This mill was damaged to some extent during the fighting at Woosung Creek. A Japanese field gun scored a direct hit when it ploughed through the clock in one of the towers of the mill.

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THE SINO-JAPANESE WAR AT SHANGHAI: ITS SIGNIFICANCE AND CONSEQUENCES

(*Continued from page 432*)

better equip our forts and staff them with more competent and experienced personnel. Thirdly, despite its popularity and advancement in the West, aviation, commercial or military, is still a new thing in China and in its initial stages of development. Fundamentally, we have no air force to speak of; and for the whole country we have less than one thousand airplanes, including a large number of those engaged for commercial purposes. Our lack of an air defence equipment proved most disastrous to us during the war in Shanghai. Our civilians have suffered terribly from Japanese ruthless airbombing and tragedies perpetrated by the Japanese airbombers will impress deeply upon the Chinese mind. The people have suffered too much to forget them. Our lack of an air force is fundamental. We have not enough planes to form an air force. We have too few experienced pilots and air fighters. Nay, we even have not enough anti-aircraft guns to frighten the Japanese airbombers, not to say to combat them in the air. In view of the progress of military science, air defence in future is more important than both land and navy and we must hasten to build an air force from the bottom, if the lessons of the Japanese airboming have done China any good.

Despite the unrivaled superiority in military equipment and in numerical strength of the Japanese forces, the Japanese adventure in Shanghai militarily certainly can not be regarded as a success. Rather the reverse, it has failed, but also proved disastrous with all their principal figures in military hospitals and their chief in command hovering between life and death. Japan by her demonstration of strength in Shanghai had undoubtedly intended to give a sound lesson to the recalcitrant and refractory Chinese, but she miscalculated and her combined war strength of army, navy and air force failed to cow the Chinese and to impress them with their fighting ability. Japan perhaps had never anticipated that the Chinese troops could have offered so much resistance as they actually experienced. It is true that the Chinese defence forces finally had to evacuate Shanghai, but Japan can hardly with honesty claim that she had defeated them and won a victory. The 19th Route Army did not collapse; it simply retired to a further defence line with its force still remaining intact.

Politically, Japan has apparently failed to accomplish any of her purposes. Her repeated announced object of the war in Shanghai was to protect her citizens. But in stead of making them safer, the fighting had actually endangered the lives of the Japanese residents and caused them to suffer enormous losses Further, the war has failed to settle the outstanding politcal issues between the countries. Indeed, it has complicated them and further strained the relations between the two countries. The boycott problem is now even of greater diffiiculty to solve than before. The ruthless actions and atrocities of Japan's armed forces in Shanghai have further embittered the feelings of the Chinese people and the boycott movement is bound to take a worse turn than before the war. It will be a long time for Japan to expect the restoration of normal trade relations with this country, as long as she continues to pursue her present policy of aggression and robbery.

Territorialy, Japan likewise has failed to carve out an empire in Central China. By her sudden and inexplicable aition ordering the withdrawal of all her military forces from the occupied areas, she is apparently relinquishing any foothold in Shanghai. Despite much effort, she has apparently has neither succeeded in securing an extension of the International Settlement nor in the creation of a Free City in Shanghai as was originally contemplated. Really, it would be difficult to figure out what Japan has actually gained out of her mad and headlong adventure in Shanghai.

In conclusion, the result of the Sino-Japanese war at Shanghai tends to further endanger the peace of the Far East and make another and more bloody Sino-Japanese armed conflict inevitable, thereby plunging the whole Eastern Hemisphere into turmoil and confusion for a long time in future.

"Lack of Courtesy" at Jessfield Park

Herbert D. Li of Kuang Hua University, Shanghai, in a letter to *The Review* complains that a foreigner evidently in Municipal employ tore up his (Li's) entrance ticket to Jessfield Park, May 13, later, however, apologizing and handing him (Li) a private note entitling him to pass the entrance gates. The foreigner's complaint against Mr. Li, according to Mr. Li's letter, was "lack of courtesy."

Wang Ching-wei Not Subject to Impeachment

According to *Kuo Min*, a mild sensation was caused in political circles at Nanking as it transpired that Wang Ching-wei, President of the Executive Yuan, had been impeached by the Control Yuan on a technicality for having allegedly failed to refer the recent Sino-Japanese Agreement for the cessation of hostilities in Shanghai to the Legislative Yuan for consideration and approval as required by the Organic Law of the National Government.

The impeachment was first brought up by Kao Yu-tang, member of the Control Yuan. It was subsequently referred to a Committee of Three for examination and finally submitted by Yu Yu-jen, President of the Control Yuan, in a formal petition to the Central Supervisory Committee of the Kuomintang.

In his petition to the C.S.C., President Yu submitted that while the autocratic usurpation of authority by the Executive Yuan in this single instance might not be of serious import, establishment of such an obnoxious precedent was fraught with grave dangers, as this might lead to "agreements" with Foreign Powers being signed and concluded at the free and unchecked discretion of the Executive Yuan. Later advices from Nanking stated that the Central Supervisory Committee had decided that Mr. Wang was not subject to impeachment.

Japanese Army Transport in Flames in Shanghai Harbor

A fire broke out early in the morning of May 21 in the Japanese army transport *Bombay Maru* lying in the lower reaches of the Whangpoo river. The transport was heavily laden with drums of ammunition, kerosene, gasoline and crude oil, and despite the efforts of Settlement, Chinese and Japanese fire-fighting equipment the blaze was not brought under control until 36 hours later, when the vessel was beched on the Pootung side. The ammunition was stored in No 3 hold, which was saved by flooding it with water. While the fire floats were pouring in their deluge of water every now and then a gasoline drum would explode with a terrifying report. The origin of the fire is unknown, but coming as it did so soon after the fire on the French liner *Georges Philippar* there is good reason to believe that both are of incendiary origin.

English Quakeress Discusses Japan at Conference in France

The theory that an increase of pacifism in Japan has driven the militarist parties to assassination and other violent acts against individuals in a high position was advanced in Grenoble, France, by Miss Pye, an English Quaker, at the congress of the Women's International League for Peace. Her report on the handling of the Sino-Japanese dispute by the League of Nations led to an impassioned discussion, in the course of which a Chinese youth displayed a distinctly anti-Japanese attitude, while another urged "Christian sympathy towards the Japanese, apart from their militarist government, as well as patience with the procedure of the international machinery at Geneva."

American Losses of Soviet Trade

The Scripps-Howard newspapers continue publishing interviews with prominent leaders of the American business world, stressing the necessity for measures which will increase trade between the United Sates and the Soviets. The president of the Toledo Tool & Machine Company is quoted as saying that "thanks to the 'work' of the Fish Committee American industry is losing $50,000,000 annually as the result of decreased orders from the U. S. S. R." Robert Alter, vice-president of the American Tool Corporation, in an interview urgently demanded that normal relations be established with the U. S. S. R. He declared that the present policy being pursued in Washington is a shortsighted one and is doing great harm to the country.

Water Power Commission Is Contemplated

Plans for the establishment of a Water Power Commission to utilize China's rivers for hydro-electric power production, as well as the regulations governing the organization of such Commission and the budget therefor were adopted at a meeting of the Executive Yuan May 15 under the chairmanship of President Wang Ching-wei. The meeting also appointed Li Ping-ping as Chief Secretary to the Shensi Provincial Government.

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Shanghai.

Engineering Society of China Holds Annual Meeting

The annual meeting of the Engineering Society of China was held in the Cathay Hotel, Shanghai, Wednesday, May 18. The report of the Council for the past year was read by J. D. Clarke. Following the adoption of the report and statement of accounts, the following members were elected to the Council of the Society:—President, A. F. Gimson, Vice-president, H. Stringer; members, Messrs. H. Berents, H. Chatley J. A. Ely, E. W. D. Elmer, S. E. Faber, J. A. Favret, J. A. C. Law, R. Minutti, A. J. Percival, C. M. Perrin, A. J. Percy, J. E. Rainals, L. P. Ridgway, Ta Kang-kao and J. H. Wilson.

Must Have Had a Pleasant Visit in Fair Nippon!

Carroll Lunt, writing in his *China Digest* for May 21 on the subject of "Contacts of Civilizations," made the following comment on Japan, "Not more than a superficial examination of the civilization of the Japanese is necessary to arrive at the conclusion that theirs is the equal, if not the superior, of any civilization at present on earth.... Excepting where political considerations on occasion arouse the masses to disorderly demonstrations and for a few political murders, there is so little abuse of the law that police are conspicuous by their absence. Violences are exceedingly rare, though suicide takes a not inconsequential toll every year...."

Foreign Industrial Mission Tours China

A Far Eastern Industrial Mission, composed of eleven representatives of various leading manufacturing firms of Great Britain, the United States, France, Italy, Belgium, and Sweden, arrived at Nanking last week and later proceeded to Wusih (the silk industrial center of Kiangsu) and then to Hangchow. It is understood that the party is studying conditions in China with a view to organizing a large trading company to meet Far Eastern commercial needs. Their investigations will keep them busy for three months in China.

Hoover Summons Bankers to Washington for Conference

President Hoover announced in Washington May 20 that he was summoning a committees from all Federal Reserve districts for a conference in Washington on measures for improvement of the banking credit structure. The President is quoted as believing that existing agencies, together with the Cabinet, are capable of handling the financial crisis since the personnel thus available comprises some of the leading business men of the country.

Committee Formed to Advise Ways and Means

The Federal Reserve Bank announced in New York May 20 that a committee of bankers and industrialists headed by Owen D. Young, has been formed to consider the means of making funds released by the Federal Reserve Bank, useful in business.

New Zealand Wants Naval Base at Singapore

Recent telegrams from New Zealand stated that it has been definitely decided that the Naval Base at Singapore is to be completed as originally planned. George Forbes, Prime Minister of New Zealand stated that the Government of New Zealand does not intend further to curtail its vote in regard to its proportion of the cost of the base. He also said that the New Zealand Government has decided not to accept the recommendation of the Parliamentary Expenditure Commission that New Zealand's naval defense be transferred to the control of the British Government.

President of China Inspects Labor Relief Works in Honan

Lin Sen, President of the National Government, conducted an inspection of labor relief work in the Lo and I river districts, in Honan last week. He was accompanied by Tai Chi-tao, President of the Examination Yuan, General Li Chao, Chief Military Counsellor, and Wei Huai, Chief Political Official of the National Government. Upon conclusion of the inspection, the party proceeded to Lungmen, where they visited various historic spots.

Men and Events

As the result of a fire which broke out May 24 a number of temples and other buildings were reduced to ashes at Koyasan, near Wakayama, Japan.

A. J. Hughes has been elected by the Shanghai Municipal Council to be the Council's representative on the governing body of the Royal Asiatic Society for 1932-33.

One of the Shanghai daily newspapers carries a "For Sale" adv. for 14-inch covered roulette wheels, "simple to operate, ideal for home, private parties and clubs."

Wu Huan-chang, representative of General Ma Chan-shan of Nonni River fame, was in Shanghai during the week on what was described as an official mission.

General Tsai Ting-kai, Commander of the 19th Route Army, who paid a visit to Nanking May 18, announced he would not accept the governorship of Fukien Province.

Mrs. Henry K. Murphy delivered a lecture at the new Chinese Y.M.C.A. building, in the French Concession, May 25 on "The Altar and the Grave in Chinese Art."

The Shanghai Municipal Council has "co-opted" H. Terai, manager of the Nippon Yusen Kaisha, as a member, to succeed K. Fukashima, who will in future live in Tokyo.

Akira Ariyoshi, formerly Japan's Ambassador to Brazil, returned to Shanghai end of last week from Nanking where he had called upon some of the prominent Chinese officials.

Walter Duranty, Moscow correspondent of the *New York Times*, has been awarded the Pulitzer Prize for the best articles and press dispatches on the Five Year Plan of the Soviet Union.

Chinese civilian deaths in the Shanghai fighting totalled 22,497, according to unofficial figures published at Nanking May 21—including 1,734 men, 1,167 women and 19,596 children.

M. Kauffman, Danish Minister to China, is shortly leaving for home on furlough. During the absence of the Minister, the Secretary, M. Eickhoff, will be in charge of the affairs of the Legation.

The college students of the University of Shanghai will move back to their Yangtszepoo campus on June 1, according to an announcement made by the president, Dr. Herman C. E. Liu, during the week.

The Sian-Lanchow section of the Nanking-Sinkiang Airway was formally inaugurated May 18 when the Eurasia No. 1, of the Eurasia Aviation Corporation, took off from Sian at 2.30 p.m. for Lanchow.

Count Ciano di Cortellazzo, Italian Charge d'Affaires, was the guest of honor at a tiffin party at Nanking May 20 given by Dr. Lo Wen-kan, the Minister of Foreign Affairs. He later proceeded to Hankow.

Surveys having been completed for the first section of the eastern extension of the Lung-Hai Railway from Sinpu to Laoyao, engineering operations are to be commenced in the near future.

Miss Esther G. Robinson, of the North China American School, Tunghsien, Chihli (near Peping), will take charge of the music department of the Canadian Academy, Kobe, beginning in September next.

An agreement has been signed between the Lung-Hai and Tientsin-Pukow Railway Administrations providing for the use by the former of the facilities of the Tientsin-Pukow Railway Station at Hsuchow.

General Von Hindenburg, President of the German Republic, has presented an autographed photograph of himself and a beautiful painting of Potsdam to Chiang Tso-pin, former Minister to Berlin.

Commander S.S. Vostrecov of the Red Army, who occupied the city of Spassk when the White Russian bands of General Dietrichs, who now resides in Shanghai, were finally liquidated, died in Moscow, May 20.

Dr. Chiang Mon-lin, President of the Peking National University, returned to Peiping end of the last week from Nanking after arranging for regular appropriations for the University, to be made by the National Government.

The marriage took place in Milford, Connecticut, last month, of Charles M. Jetts, a Chinese, a graduate of Harvard and the owner of a string of restaurants in New York City, to Mrs. Charles G. Abbot, the widow of a New York broker, and socially prominent.

The Shanghai alumni of the Massachusetts Institute of Technology held their monthly meeting end of last week at the American Club with C. R. Webb, of Shanghai Power Co. as the chief speaker. P. S. Hopkins, president of the Club, was the host of the gathering.

The Executive Yuan has decided to remit $20,000 to the Chinese Legation at Paris for the repatriation of unemployed Chinese laborers now stranded in France; also $10,000 to the Chinese Consulate at Amsterdam, for the relief of the unemployed Chinese laborers in Holland.

Measures governing the enforcement of cinema film censorship, drafted by the Film Censorship Committee, have been approved by the Executive Yuan. The measures call for the exercise of film censorship jointly by the educational and police organs in each locality.

Kishaji Fukushima, until recently manager of the local office of the Mitsui Bussan Kaisha and also member of the Shanghai Municipal Council, departed from Shanghai May 24, for Japan. Mr. Fukushima will assume an important post at the Mitsui's head office in Tokyo.

Steps for the conversion of the North-eastern University at Shenyang (Mukden) into the Manchuria-Mongolian University, are being made by the Japanese. The running expenses of the institution, it is stated, will be borne by the Japanese South Manchurian Railway.

It is reported from Nanking that General Lu Ti-ping of Chekiang province will resign his chairmanship shortly. Dr. C. T. Wang, former Minister of Foreign Affairs and General Chang Chun, former Mayor of Shanghai, have both been mentioned as candidates for General Lu's post.

The Asia Life Insurance Co. has issued its annual statement for 1931 in folder form. The real estate is valued at $1,236,960. Bonds in hand total $970,454.46; stocks, $758,391 and mortgage loans, $592,202.08. The reserve on policies in force (American legal standard) total $3,283,303.64.

A Moscow telegram states that Russia at present employs 6,800 foreigners in "heavy industry." According to M. Vlademurov, the Assistant Chief of the Foreign Section of the Commissaial, the number of foreign specialists leaving the country represents only a small proportion of the total.

The annual meeting of members of the North China Branch of the Royal Asiatic Society will be held at Cathedral School, 21 Kiukiang Road, Wednesday, June 8, when the reports of the officers and a statement of accounts will be given, and officers and members of the Council for the ensuing year will be elected.

W. Thorpecke, the Netherlands Minister to China, called upon Dr. Lo Wen-kan, Minister of Foreign Affairs, at Nanking May 17 when views were exchanged regarding the position of Chinese nationals resident in the Dutch East Indies. A dinner in honor of Minister Thorpecke was given by Dr. Lo at the Diplomatic Hostel.

A large party of Rotarians under the leadership of Alan D. Albert, president of Rotary International from 1914 to 1916, will reach Shanghai in July. They are due to arrive at Yokohama on July 8 from Seattle. The visitors will spend one week seeing the sights in Japan and then proceed to Shanghai, Hongkong and Manila.

The death occurred at Monte Carlo, aboard his yacht May 23 of Lord Inchcape, chairman of the Peninsular and Oriental S. N. Co., at the age of 78. Lord Inchcape in 1902 signed in behalf of Britain the commercial treaty he had negotiated with China. The pact was signed at Shanghai after Lord Inchcape had spent a year in China.

The Japanese Government May 24 sanctioned the proposed plan of a Greater Tokyo. According to the plan the city of Tokyo will in future include eighty-two towns and villages adjacent to Tokyo Proper. This new suburb all around Tokyo Proper will be divided into 20 wards. The new Greater Tokyo will thus become the second largest city in the world.

Monkichi Yonesato, managing-Director of the Nisshin Kisen Kaisha, returned to Shanghai May 23 following a conference with officials of his firm in Tokyo, where he also attended a general meeting of the company's shareholders. Because of the anti-Japanese boycott, the Nisshin Kisen Kaisha, which operates steamers on the Yangtze River, met huge losses last year and this year, as a result of which the company was forced to disness a number of its workers.

Following the Japanese evacuation of the Chenju and the Shanghai North Railway Stations at the beginning of the week the booking and station master's offices of the Shanghai North Station, which were removed to No. 6 and 10 Szechuen Road Shanghai, after the outbreak of the recent hostilities, have been nearer the railway. The North Station, having been almost completely destroyed as a result of the war, the administration offices of the railway will be temporarily housed in a building in Range Road.

Real-Admiral Tsunecharu Sakano, who was Japanese liaison officer at Malta during the Great War and who recently has been Japanese naval attache in Washington, has been appointed to the headquarters staff of the Third Fleet. He will succeed Admiral Shiozawa in Shanghai, the latter returning to Japan to take up the post of Director of Naval Affairs at the Navy Office.

The Flood Corporation for China, Inc., issued a statement May 23 acknowledging the receipt of contributions from various sources in the U.S.A., England, Switzerland and China totalling $363,000. These contributions are being disbursed by the Flood Corporation for China in supporting and strengthening the work being conducted by the National Flood Relief Commission.

Wu Kai-sheng, Minister to Switzerland and member of the Chinese Delegation at Geneva, who recently returned to Nanking from Europe, called on President Wang Ching-wei and Dr. Lo Wen-kan, Minister of Foreign at Nanking, May 20. He reported on the debates between the Chinese and Japanese delegates at the League of Nations sessions and submitted his views on the diplomatic situation.

The following have been appointed as supervisors of the Manufacturers Bank of China, representing Government shares in the Bank: Hsu Hsin-liu (Hsu Sing-loh), general manager of the National Commercial Bank; Yang Tun-fu (T. P. Yang), sub-manager of the Shanghai Commercial & Savings Bank; Huang Han-liang, manager of the Ho Hong Bank; Chen Shao-kuei and Wen Shou-kang.

Dr. Ann Walter Fearn, American resident in Shanghai, entertained a large group of friends at a dinner-dance held in the Cathay Hotel May 24 on the occasion of her 62nd birthday. The guests presented their hostess with a costly silver tea set. The presentation speech was made by Judge Milton D. Purdy of the U. S. Court for China. Mr. and Mrs. Edwin S. Cunningham were among those present.

A pageant to commemorate the bicentennial of Washington's birthday will be presented at the Shanghai American School May 28 at 8.30 p.m. The bicentennial celebrations would in the ordinary course have taken place on February 22 but were postponed owing to the unsettled political situation. The pageant has been written by Mrs. J. A. Pilley of the American School Staff, and is entitled "The Garden of the World."

Koreans to Be Safe in French Concession Domicile Hereafter

The recently elected President of France, M. Lebrun, has wired to the French Consul General in Shanghai ordering full protection to Koreans living in the French Concession, adding that in future no more Koreans living in the Concession should be handed over to the Japanese. The Korean Residents Association has had confirmation of this fact from a Korean representative in Paris and has sent a telegram to President Lebrun thanking him for his action.

Regarding C. H. Ahn, the Korean who was handed over to the Japanese authorities on the day following the Hongkew Park incident, the Chinese Government during the week protested to the French authorities against his being held by the Japanese on the ground that he is a naturalized Chinese citizen. A protest has also been forwarded to the U.S. Government. N. F. Allman, American attorney in Shanghai, has been retained to look after Ahn's interests. The protest to the American government is based on the fact that Ahn lived for many years in the United States and at present has his wife and children, who are American citizens, living there, Although Ahn is still being held by the Japanese authorities there is some possibility of his being released. The Japanese, however, do not recognize his Chinese citizenship.

Chinese War Prisoners Released by Japanese

Forty Chinese prisoners of war who had been captured during the recent Sino-Japanese hostilities in the Shanghai area were released by the Japanese authorities and handed over to the Chinese May 19. The handing over ceremony took place at the Shanghai North Railway Station in the presence of Chinese and Japanese officials. The prisoners were the last of those taken by the Japanese to be returned to the Chinese authorities. They were all members of the 19th Route Army which offered a brave resistance to the Japanese forces in Chapei and surrounding area. All the prisoners had been wounded when captured and since their confinement had received medical attention at the hands of Japanese.

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Who's Who in China

Gen. Chang Chi-chung, Commander of the 5th Army and concurrently Commander of the 87th Division; born at Tsao Hsien, Anhwei, 1891; after graduating from the Paotingfu Military Officers' College in 1916, he joined the army service and first participated in the National Pacification and Constitutional Defense Campaigns of the Southern Military Government under the late Dr. Sun Yat-sen; later he successively served as commander of the Cadets Corps of the Whampoa Military Cadets College; chief of staff to the Headquarters of the Garrison Commander of Canton; chief of staff of the 2nd Division of the Revolutionary Army; director of the Adjutants Office of the Commander-in-Chief's Headquarters of the Revolutionary Army; chief instructor of the Wuhan Branch of the Whampoa Military Cadets' College; director of the training department of the Commander-in-Chief's Headquarters; was commissioned abroad by the National Government to study political and economic conditions and visited all the leading countries in both Europe and America and also Japan on way of return to China; since return in 1928, he has served as director of the Military Administration Department of the Military Council; director of training department and later chief instructor of the Central Military Officers' College; acting Commander-in-chief in charge of the Field Headquarters of the Commander-in-Chief at Wuhan; Commander of the 2nd Cadets' Division; re-appointed chief instructor of the Central Military Officers' College; after outbreak of the Sino-Japanese war in Shanghai, he was appointed commander of the 5th Army and concurrently commander of the 87th Division which opposed the Japanese at Kiangwanchen and Miaohangchen.

Gen. Chang Chi-chung
張治中字文白

張治中，號文白，安徽巢縣人，年四十一歲，民國五年畢業於保定陸軍軍官學校，歷任黃埔軍校學生總隊長，軍官團長，廣州衛戍司令部參謀長，黨軍第二師參謀長，武漢分校教育長，總司令部訓練處處長，旋奉派赴歐美考察，民國十七年回國，歷任軍委會軍政廳廳長，中央軍校訓練部主任，教育長，陸海空軍總司令武漢行營主任，陸軍教導第二師師長，嗣專任中央軍校教育長原職，現任國民革命軍第五軍軍長，兼八十七師師長，參加抗上海日作戰。

Japanese University Men to Serve in Manchuria

Fifty-nine Japanese university graduates recently left Japan for Manchuria to serve under the Manchurian Government. Before they left they were the guests at a farewell meeting in Tokyo, arranged by Yoshiaki Kasaki, an important official of the Manchurian Government. Speeches of encouragement were made by Lieut. General Yamada, president of the newly established Manchuria and Mongolia School, Captain Imada, of the Army General Staff, and Mr. Daikyo, a professor of the Seikei High School, and others.

New Books of Interest in the Far East

Notes on Celestial Politics

Wang Ching-wei, A Political Biography, By T'ang Leang-li; The Chinese National Revolution, Essays and Documents, by Wang Ching-wei and others; China's Own Critics, A Selection of Essays By Hu Shih and Lin Yu-tang with Commentaries By Wang Ching-wei. All three volumes published by the China United Press.

These three books may be unreservedly commended as interesting and important source material for the study of modern China. As finished products, however, they leave much to be desired.

As Mr. Wang's secretary, English spokesman, and admirer, Mr. Tang, of course, could not be expected to supply a waiting world with a genuinely critical biography of his Hero. As a matter of fact, read at the present time Mr. Tang's book is, however unconsciousnessly on the part of its author, critical enough in many respects. The obvious purpose of the volume is to prove the superiority of Mr. Wang over General Chiang Kai-shek, and to present Mr. Wang's side of the case in his long feud with the General.

The presentation, not only in the biography but in parts of the other two volumes, is quite imposing and the biography concludes with the statement that "with Wang's arrival at Canton, on May 25, 1931, the anti-Chiang movement and the Chinese National Revolution thus entered into a new phase of development." All of which is very ironically interesting in view of the development, for not long ago Mr. Wang (after recovering from diabetes) went to Nanking and joined General Chiang, and is now his principal spokesman in the Central Government. To be sure, Mr. Wang is president of the Executive Yuan, while General Chiang is merely in command of the Nanking armies with his loyal ally and brother-in-law, Mr. T. V. Soong, in charge of the treasury.

Nevertheless, it seems a curious end of the "anti-Chiang movement" on the part of Mr. Wang. Perhaps, of course, General Chiang has reformed from the viewpoint of Mr. Wang, and no longer has what Mr. Tang describes as a "quasi-dynastic ideal." But Mr. Tang makes some very serious charges against the General that should presumably call for a more public reformation than has been apparent.

"Having in fact," says Mr. Tang, "made the Central Kuomintang organization his private chancery, Chiang Kai-shek (or, Chiang K'ai-shih, in Mr. Tang's transliteration) proceeded to make a secret alliance with Japan for the purpose of strengthening his position against Feng Yu-hsiang, his most serious military rival at the time." This was in 1929 when the Japanese occupied Shantung, but were about to withdraw. However, according to Mr. Tang, Chiang through his foreign minister, Mr. C. T. Wang "begged" the Japanese not to leave in order to prevent General Feng from obtaining control of the province to which he had been assigned at the Disarmament Conference in January, 1929.

Further, Mr. Tang adds, "not even the most reactionary militarist of the old school in past civil wars had dared to invoke foreign aid in so glaring and shameless a manner." Along the same line Mr. Tang cites that Belgium lost extraterritoriality under Chang Tso-lin and had it restored to her by Chiang Kai-shek.

However, assuming the truth of these allegations, Gen. Chiang has probably changed a lot since then and Mr. Tang may favor us anon with the explanatory data thereof. Certainly General Chiang has changed a lot since Mr. Tang quotes him as saying back in 1925: "The National Revolution cannot do without Dr. Sun's Three People's Principles. Neither can the International Revolution neglect Communism. We cannot deny that the Chinese Revolution is part of the World Revolution. The realization of the Three People's Principles means the realization of Communism. Knowing that we cannot separate the Chinese Revolution from the World Revolution, why should there be any quarrel amongst us about the Three People's Principles and Communism?"

The above, according to Mr. Tang, was written by General Chiang for the School Annual of the Whangpoa Military Academy in Canton on December 5, 1925.

Throughout the book Mr. Tang seeks to prove that General Chiang, prior to the counter-revolution he led in 1927, was much more "Red" that Dr. Wang. That may be, but it is quite contrary to very valid evidence from other sources. Certain the Soviet advisors in China began to be

suspicious of General Chiang late in 1926 while Mr. Wang was regarded as a sort of "red hope" even for some time after General Chiang formed the Nanking Government. In fact, as late May, 1927, Mr. Borodin, the Soviet High Advisor, was advising Mr. Wang not to make his public speeches so "red."

The best part of Mr. Tang's biography is the first part where the youthful and then idealistic Wang, as a follower of Dr. Sun Yat-sen, was a daring and dynamic revolutionary, giving up his family, risking his life, and surviving a trying ordeal in jail in Peking in his efforts to overthrow the Dragon Throne. Needless to say, the Chinese Revolution in those days was much less complicated than now.

The essays in "The Chinese National Revolution" are chiefly anti-Chiang. One passage in one of Mr. Wang's contributions is exceeding interesting.

"The Revolutions," he says, "has turned into a counter-revolution. The Nanking Government has become the headquarters of the counter-revolution and reactionary forces of the country, being in no way different from, and, in many respects, worse than, the Peking mandarinate whose place it has taken. All of the enemies of the people are represented there, including the country bosses, the gentry, and the vagabonds of the cities and countryside, their spies and informers. Yuan Shih-kai was the master, Chiang the pupil."

And now Mr. Wang is in that government!

There is one curious aspect of "China's Own Critics." Dr. Hu Shih has international renown while Dr. Lin Yu-tang is scarcely known outside his own country, yet his contibutions are infinitely superior to those of Dr. Hu. Some of Dr. Lin's English writing is genuinely brilliant even when compared to the standards of the English and American masters of that language; his essay on "The Model Bandit" is really one of the finest masterpeices of irony this reviewer has ready in a long time. And, further, it paints a terribly mordant picture of a common but unpleasant aspect of modern China.

Dr. Hu's essays are translated from the Chinese, and so it would be unfair to criticize him for their rather dull form, but that does not mitigate their content. All of them display a pathetically inadequate grasp of the realities of the modern world, but none more so than the one entitled "Which Road Are We Going?" Here Dr. Hu enumerates China's "five great national enemies" as "poverty, disease, ignorance, corruption and disorder."

All of which is very well, but Dr. Hu immediately adds that "this enumeration does not include capitalism, because we cannot talk about capitalism in China.....nor feudalism, because feudalism ended 2,000 years ago with the formation of the First Empire.....nor imperialism, because imperialism cannot injure a country not first devastated by these devils." Poverty and the other ills, then, according to this amazing logic have no connection whatsover with the economic system! Yet nothing can be more obvious than that poverty—out of which disease, ignorance and corruption inevitably grow and usually disorder as well—is directly conditioned on the distribution of available wealth under any existing economic system."

It is, of course, ridiculous to say that there is neither capitalism nor feudalism in China, that is if the words are used in the sense in which they are employed by all writers on economics. The gentry system prevailing in the areas where most farmers are tenants, that is, in most of China, and the native shop system are distintly feudalistic and were even more so under the mandarinate. At the same time capitalism exists and is growing rapidly in the large cities while imperialism takes a huge toll from a vast area. And it follows that if a few people have much of the wealth available, the many must have little.

Perhaps the resources, actual and potential, of China are incapable, under any system of distribution, of eliminating proverty. If so Dr. Hu would keep his reputation for scholarship more spotless if he advocated birth control instead of trying to dissociate lack of wealth from economics, and then concluding with the vague prescription of "reform under conscious and intelligent direction."

W. B.

Army Memorial Service to be Held at Soochow May 28

Wang Ching-wei, President of the Executive Yuan, and General Chiang Kai-shek, President of the Military Affairs Commission, will be among those to honor the dead at a memorial service for the soldiers of the 19th Route Army and the 5th Army who died in action during the recent Sino-Japanese hostilities in Shanghai. The memorial service will be held at Soochow Saturday, May 28. Representatives of 113 public organizations and other official organs will participate.

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Ministry of War Tightens Its Hold on Operations

A circular order demarcating the powers of the Military Affairs Commission, the Ministry of War, the Inspectorate-General of Military Training and the Department of the General Staff was issued at Nanking May 20 by the Commission to the various military organs. The order stated that hereafter all military affairs must be submitted to the Ministry of War. Military education and training will be undertaken by the Inspectorate-General of Military Training; while national defence measures and military intelligence are to be in charge of the Department of General Staff. However, any important military measure must be subject to the final approval and decision of the Commission, before they can be enforced by the Ministry, Inspectorate-General or Staff Department as the case may be. National pacification measures and important military intelligence reports are to be dealt with directly by the Commission.

The Military Affairs Committee at Nanking May 22 formally appointed its Chairman, General Chiang Kai-shek, as Commander-in-Chief of the bandit-suppression troops in the three Provinces of Honan, Hupeh, and Anhwei. General Li Chi-sen, member of the Military Committee, is appointed the Vice-Commander-in-Chief under General Chiang Kai-shek.

It is expected that as soon as the appointments are confirmed by the National Government, both General Chiang and General Li will immediately proceed to the bandit-stricken areas to direct the various units of Government troops in a determined effort to stamp out the red-bandits whose movements are gathering momentum and are threatening the Western part of Anhwei.

U.S. Fleet to Stay in Pacific Until October 1

Admiral William N. Pratt, Chief of Naval Operations, announced at Washington May 20 that the U.S. Scouting Fleet will remain in the Pacific until October 1. Rear-Admiral Richard H. Leigh will become commander-in-chief, succeeding Admiral Frank H. Schofield who will be assigned to the General Board, reverting to the rank of rear-admiral.

Civil War Again Threatens in South China

Possibility of war between Kwangsi and Canton was indicated in telegrams from the South at the beginning of the week which stated that Kwangsi forces under Li Tsung-jen had started concentrating on the upper West River and Canton soldiers had started construction of trenches along the lower West River and at the chief terminus of the Canton-Samshui Railway. If war develops it is probable the Kwangsi forces would be allied with the naval forces in Hainan Island which recently revolted against General Chen Chi-tang, the Canton commander. General Chen's soldiers are preparing extensive fortifications at Lupa, Paknai, and Samshui. Dr. C. C. Wu, Fu Ping-sheung and Mayor Ching Tien-koo left Canton May 23 apparently to avoid being involved in the expected turmoil.

Admiral Chen Chak, recently ousted naval chief in Canton, has taken a firmer attitude in opposition to General Chen Chi-tang, with the intimation that no compromise will be reached unless the naval department in the south is absolutely made independent of the army. The change to a stronger policy of Admiral Chen Chak is reported to have been due to the fact that all defensive works around Hainan Island have almost been completed.

Admiral Chen Cheh has set up an independent administration at Hainan and he is stated to be planning to transfer his loyalty to the Central Government at Nanking. Admiral Chen's occupation of Hainan has interfered with the long-cherished plan of Dr. C. C. Wu to assume the post of Administrator of the Island, which is as large in area as Switzerland. Dr. Wu, who was at one time Governor of Kwangtung and later Minister for Foreign Affairs in the National Government, intended to assume the position of administrator some months ago, but for various reasons has not gone there. Now it seems likely that the consummation of his plans will have to await the pleasure of Admiral Chen Cheh.

Soviet-Japanese Tension Continues But No War in Sight

Rumors of possible future wars float in from various parts of the world, but practically the only military operations at present are those in Manchuria. The Soviets are linked up in some way in nearly every discussion on future warfare. The redoubtable, but exiled, Leon Trotsky has expressed the opinion that a Hiter victory in Germany means war with the Soviets. The prospects of a Soviet-Japanese war still continue to be discussed, the latest being a pronouncement by Admiral Magano, member of the Japanese delegation to the Disarmament Conference, who in an interview with the Geneva correspondent of *Le Matin* (Paris) while insisting that it was an undisputed historic fact that Russia had always harbored designs on Manchuria, said he did not believe that Russia at this juncture would care to make an attempt to realize her ambitions. The propaganda of the Soviets was becoming disagreeable, the admiral continued, but even so an armed conflict between Russia and Japan just now was extremely unlikely. He said the Japanese authorities are fully aware of the fact that Russia is concentrating troops at various points along the Manchurian border, but this was done, because the Soviets, rightly or wrongly, fear an invasion of White Russians.

General Shirakawa Improves as Result of Transfusion Treatment

The condition of Gen. Shirakawa, one of the victims of the Hongkew Park bombing incident, became suddenly worse towards the end of last week and specialists from Japan were summoned to attend him. The Japanese doctors carried out several transfusions with blood and camphor at the beginning of the week, with the result that the General's condition improved. Erroneous reports of General Shirakawa's death were published in Shanghai and sent abroad May 23, some of the Japanese news services participating in the dissemination of this erroneous report.

Japanese Cousul General Murai, one of the victims of the Hongkew Park bombing incident, has sufficiently recovered to leave the Fooming hospital and has partially resumed his duties at the Japanese Consulate General.

M. Shigemitsu, Japanese Minister to China, one of the victims of the Hongkew Park incident, has been informally advised by his attending physicians to go to Japan for recuperation, as soon as his condition permits. A physician and a nurse will probably accompany the Minister when he sails for Japan, early next month.

WOODHEAD'S SCHEME FOR MAKING SHANGHAI "SAFE"

(*Continued from page 430*)

schemes for "guaranteeing" the so-called security of the port. It is not necessary to elaborate on all of the schemes which have been brought forward in recent years with the object of creating peace and order and security of Shanghai. First there was the so-called Feetham Plan which aroused universal suspicion among the Chinese people because of Feetham's declaration that not years but generations would be required before the Chinese people were qualified to administer Shanghai. Then came the Japanese military intervention which resulted in the wholesale destruction of human lives and properties and the creation of still greater suspicion and hostility on the part of the Chinese people. And now in the wake of the Japanese intervention with a considerable portion of the city still in ruins and with thousands of people still mourning for lost relatives and friends, we have proposals for so-called "round-table" conferences and a whole litter of underground schemes for taking advantage of China's distress and creating a sort of independent city-state that would result in the further alienation of Chinese territory and the elimination of Chinese jurisdiction over land and things that are China's."

Then after referring to the apparent connection between the proposal of Foreign Minister Yoshizawa for the creation of an "international free city and demilitarized zone at Shanghai," and Mr. Woodhead's scheme for calling an international round-table-conference, the paper reiterated the declaration of Chiang Tso-pin that the Shanghai and Manchurian issues are inseparable and must be settled simultaneously. In conclusion it was stated that there would be no serious Chinese objection to a conference looking to a genuine solution of outstanding Shanghai questions, but first the Chinese "would like to examine the agenda in order to determine whether it conformed with the principles enunciated in the preamble to the Washington Nine-Power Treaty wherein it was agreed to respect the sovereignty, the independence, and the territorial and administrative integrity of China and provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government. . . ."

Latest New York Stock Exchange Quotations

Market Easy — Business Done 1,000,000 Shares — May 25, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. May.23	Tues. May.24
23½	2	—	Adams Express	2⅝	2¼
182¾	51½	•6.00	Allied Chemical & Dye	53⅜	51⅝
42¾	5¾	.50	Allis Chalmers	Unq.	6
129¾	36⅜	•4.00	American Can	37⅞	36¼
51¾	2⅜	—	Amer. & Foreign Power	2⅝	2½
31½	1¼	—	Amer. & For. Power W.	Unq.	1½
58½	7⅞	—	American Smelting	8¼	7⅞
201¾	94⅝	9.00	American Tel. & Tel.	96¼	94¾
132¾	60⅝	•5.00	American Tobacco "B"	61	58⅛
80¾	15	3.00	American Waterworks	15	12½
43¼	4½	—	Anaconda Copper	4½	4½
295½	30¼	•4.00	Auburn Automobiles	33⅞	32
87⅞	5¼	—	Baltimore & Ohio	5⅜	5¼
70⅜	12⅛	—	Bethlehem Steel	13	12¼
76½	27	•3.00	Borden Company	29⅞	26⅝
30¾	4¼	1.00	Borg Warner	4½	4½
45¾	10	1.25	Canadian Pacific Railway	10	8⅜
131½	18⅛	—	Case J. I.	20⅝	20¼
102	26¾	3.00	Chase Bank	27¼	26
54⅛	6½	3.00	Chesapeake Corp.	8⅛	7¼
25¾	6	1.00	Chrysler	6	6
20¾	3¾	.30	Cities Service, Co.	3⅞	3¾
45⅝	6⅞	1.00	Columbia Gas & Electric	7¾	7¼
12	2¼	.30	Common wealth & Southern	2½	2½
2¾	¼	—	" " warr.	5/16	¼
109⅝	45¾	4.00	Consolidated Gas. of N.Y.	45¾	43⅞
12	4⅝	—	Continental Oil	5¼	5
86⅝	29⅞	•3.00	Corn Products	33	30⅛
5⅞	⅞	—	Curtiss Wright Co.	1	1
78¾	33¾	4.00	Drug Incorporated	34¾	33⅛
107	26⅝	4.00	Du Pont de Nemours	29⅞	28⅛
185¾	40⅞	5.00	Eastman Kodak	43	41¼
61	8⅝	6% S	Electric Bond & Share	8⅝	6½
60¾	5	1.00	Electric Power & Light	4¼	3⅝
38⅝	1⅛	—	Fox Film "A"	1½	1½
54¾	13⅛	1.00	General Electric	13½	13
56	26⅝	3.00	General Foods	26⅝	24⅝
48	10	1.00	General Motors	10	9¾
84⅛	10¾	3.00	General Railway Signal	11½	10⅜
38¾	9¼	1.00	Gillette	13⅞	13¼
42½	11¼	1.60	Gold Dust	11¾	10½
20⅞	3	—	Goodrich Rubber	3¼	3¼
52¾	7⅝	—	Goodyear Tire & Rubber	7⅞	7⅝
62½	7⅛	2.00	International Cement	7⅛	6⅝
4	½	—	International Combu. Eng.	½	⅝
60½	16⅛	1.80	International Harvester	18	16½
20⅛	4¾	—	International Nickel	4⅞	4½
38¾	3⅝	—	International Tel. & Tel.	3⅝	3
80¾	10⅝	—	Johns Manville	12	11⅜
31½	5½	—	Kennecott	6¼	6⅜
27¾	⅛	1.61	Kreuger & Toll	⅛	⅛
91¾	40	•4.00	Liggett & Myers, "B"	42½	40½
63¼	17¾	•3.00	Loew's: Inc.	18½	18⅛
21⅞	10	1.20	Lorillard P. Co. (com.)	11¾	11¼
19	1½	—	Ludlum Steel	3	2⅝
29¼	5⅝	—	Montgomery Ward	5⅞	5¼
108½	30	3.00	Nash Motors	31¼	29¾
14¾	2¾	—	National City Bk. bid price	3⅛	3
132¼	11¼	—	Nevada Consolidated Co.	11½	10⅝
90¼	19⅝	10%S	North American Aviation	19⅝	18⅝
54⅞	21½	2.00	Pacific Gas & Electric	22	21⅛
11⅞	2	—	Packard Motors	2	2⅛
50¼	1⅞	—	Paramount—Publix. Corp.	1⅞	1⅞
64	9⅜	—	Pennsylvania Railroad	9½	9
8½	1½	—	Pennroad Corporation	1⅜	1½
16⅝	2½	—	Phillips Petroleum	4¼	4
96	39¾	3.40	Public Service of N.Jersey	40⅛	38
27½	3¾	—	Radio Corporation	3¾	3⅝
24½	2⅛	—	Radio-Keith Orpheum	Unq.	2
54½	30¾	3.00	Reynolds Tobacco "B"	30¾	30¼
62¼	15¼	2.50	Sears Roebuck	17⅜	16
10¼	2½	—	Shell Union	3	2¾
23⅜	3¾	—	Simmons Company	Unq.	3⅞
26½	8	.80	Socony-Vacuum Corp.	8¼	8
54½	21¼	2.00	SouthernCaliforniaEdison.	22	20½
88¾	10¾	3 50	Standard Gas & Electric	10¾	10
54½	20¼	•1.00	Standard Oil of N. Jersey	24¾	24⅛
26¼	9⅞	1 00	Texas Corporation	10⅝	10½
55¾	16¼	2.00	Texas Gulf Sulphur	16¼	16
18	2	—	Trans America	3	2⅞
72	17	2.00	Union Carbide & Carbon	17½	16¾
205⅛	41⅝	6.00	Union Pacific Railway	42½	40¾
38⅞	7¼	—	United Aircraft & Trans.	7¾	7⅝
31¼	5¼	.40	United Corporation	5¼	5
87½	15	1.20	United Gas Improvement	15⅝	15
20⅜	2¾	—	U.S. Rubber	3	2⅞
162¾	27	—	U.S. Steel	28¾	28
76¾	6⅝	—	Vanadium	7	6¾
20⅝	1⅛	—	Westinghouse E. & M.	1⅛	1
107¾	19⅞	1.00	Woolworth	24	23
72⅝	28	2.40		29⅛	27½
*Plus extras			Call Money	2½%	2½%

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The National City Co. Gold Bond Quotations Received From Head Office

May 19, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	31	—
Argentine Government	6 % May 1, 1960	44½	—
U. S. of Brazil	6½% Oct. 15, 1957	18	—
Canadian National Railway Co.	5 % Oct. 1, 1969	85	6.00
Chile Government	6 % Sep. 1, 1961	6⅞	—
Republic of Finland	6½% Sep. 1, 1956	48½	—
Finnish Gtd. Municipalities "A"	6½% Oct. 1, 1954	38¼	—
German Central Bank for Agriculture	6 % Apr. 15, 1938	24	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	24½	—
German General Electric (A.E.G.)	6 % May 1, 1948	28½	—
Ilseder Steel Corp.	6 % Aug. 1, 1948	22¾	—
Kingdom of Italy	7 % Dec. 1, 1951	86¾	8.44
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	1½	—
City of Milan	6½% Apr. 1, 1952	64¼	10.80
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	10¾	—
Republic of Peru	6 % Oct. 1, 1961	4¼	—
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	21¼	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	60¾	—
Saxon Public Works	6½% May 1, 1951	17	—
American I.G. Chemical Corporation	5½% May 1, 1949	56½	11.31
Chicago, Milwaukee, St. Paul & Pacific	5 % Jan. 1, 2000	3½	—
Chile Copper Co.	5 % Jan. 1, 1947	35	—
Goodyear Tire & Rubber	5 % May 1, 1957	64	8.49
International Match Corporation	5 % Jan. 15, 1941	1	—
The Mead Corp. w.w.	6 % May 1, 1945	89	—
National Steel Corp.	5 % Apr. 1, 1956	65½	8.34
Japanese Government	6½% Feb. 1, 1954	68⅜	10.10
Japanese Government	5½% May 1, 1965	55½	10.04

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	59	—
Chinese Govt. Re-org. (£) Loan Stamped	5 %	1913/60	60	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	58	—
Chinese Government (Crisp Loan)	5 %	1912	37½	—
Shanghai-NankingRailway	5 %	1904/08	29½	—
Shanghai - Hangchow-Ningpo Railway	5 %	1908/58	59½	—
Hukuang Railway	5 %	1911/1951	17	—
Tientsin-PukowRailway	5 %	1908/09	12	—

NOTE: . The above quotations are received by cable and whilst believed to be correct are not guaranteed.

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Exchange Circular for the week ending Wednesday, 18th May, 1932.

This week has seen a revival of interest being taken in the question of silver, both in the United States and Great Britain, and renewed urge for holdnig an International Conference on the subject. Grave and depressing warnings are prevalent of the economic difficulties in Germany, Austria, Greece, and United States. A tragedy has taken place in Japan in the assassintion of the Premier. The Japanese Government this week has decided to remove all troops from the Shanghai area, commencing immediately.

Our market has been somewhat more buoyant. On Monday Banks were closed for the Whitsuntide Holiday.

The London/New York Cross rate has declined from 3.67⅛ to 3.66⅜.

The Japanese Cross rate has fallen from 32.62 to 31.68.

Silver:— On the 12th inst. was 17 1/16d. for spot, and 17 5/16d. forward. and U.S. $ 27⅛ and closes today at 17 1/16d. and 17 1/16d. and U.S. $ 0,28⅛.

India and the Continent have been buyers: China has bought and sold. Futures in America have been erratic.

Our stocks of silver are reported as follows:—
Syeee and Bar Silver Tls. 71,681,000 an increase of Tls. 1,903,000
Chinese and Mexican Dollars $ 231,510,000 an increase of $ 2,930,000
Estimated value Tls. 238,868,000 as against Tls. 206,741,000 held at this time last year

†	Average rates for April	Thursday May 12	Friday May 13	Saturday May 14	Monday May 16	Tuesday May 17	Wed. May 18
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/Ton London	1/7.846	1/7⅞	1/7⅞	1/8		1/8⅛	1/8⅛
D/Dfts „	—	1/7⅞	1/7⅞	1/8		1/8⅛	1/8⅛
4 m/s „	—	1/7 13/16	1/7 15/16	1/8 1/16		1/8 5/16	1/8 1/16
T/T on India	109.971	109½	110	111½		114	112½
T/T on France	786.731	766	766	771		793	783
T/T on N. Y.	30.985	30⅛	30⅛	30⅛		31⅛	30⅛
T/TonDemand		30⅛	30⅛	30⅛		31⅛	30⅛
T/T on Hamburg(R.M.)		126½	126½	127½		131	129½
T/T onH'kong	75.981	77 nom	77 nom	77 nom		77 nom	76½nom
T/T on Japan	106.317	108 nom	106 nom	105 nom		101 nom	103 nom
T/TonBatavia	76.548	74½	74½	75		77½	76½
T/T on Straits	140.279	141	141	139½		136	137½
Bk's buyingrates 4 m/s B/L. Cred, &D/A	1/8.820						
4m/s B/LD/P	828.683						
6m/s „ B/L Cred & D/A	—						
4 m/s B/F Cred D/A or D/P							
4m/s N.Y. Lc.	32.683						
4m/s „ Docs.	—						

BANK HOLIDAY

†Based on Daily Official quotation, higher rate taken on risingMarket, lower when falling.	May 12	May 13	May 14	May 16	May 17	May 18
Bullion.						
*London Price of Bar Silver per oz. (English Standard925touch) Pence						
**New York Price of Bar Silver per oz.(Pure)	17 1/16	17⅛	17⅛		17 3/16	17 3/16
Shanghai Price ofGold Bars (weight Tls. 10 (Chauping 978 touch)	G.$.27⅛ Tls.	G.$.28 Tls.	G.$.27⅛ Tls.		G.$.28⅛ Tls.	G.$.28⅛ Tls.
Shanghai Silver Bars (weight Tls.100(Canton) 999 touch) Nominal	709.70 Tls.	710.70 Tls.	715. Tls.		698. Tls.	701.00 Tls.
Shanghai Mexican Dollars per $100	112.50 Tls.	112.50 Tls.	112.50 Tls.		112.50 Tls.	112.50 Tls.
Native Bank Rate of Interest (Call money)	70.3½	70.3 1%	70.3 2%		70.1	70.1½ 1%
*Closing Price in London for Previous day						
**Closing Price in N. Y. for Previous day						

HOLIDAY

Bank of England rate of discount	2½%	London on Paris	T/T 92.81
Bank of France rate of discount	2½%	New York on London	T/T 366⅜
London open Market rate of Dis.	3m/s. 1⅝%	Bombay on London	T/T 1/5 15/16
„ „	4m/s. 1⅝%	Hongkong on London	T/T 1/3⅜
„ „	6m/s.1⅝%	Kobe on London	T/T 1/8⅜

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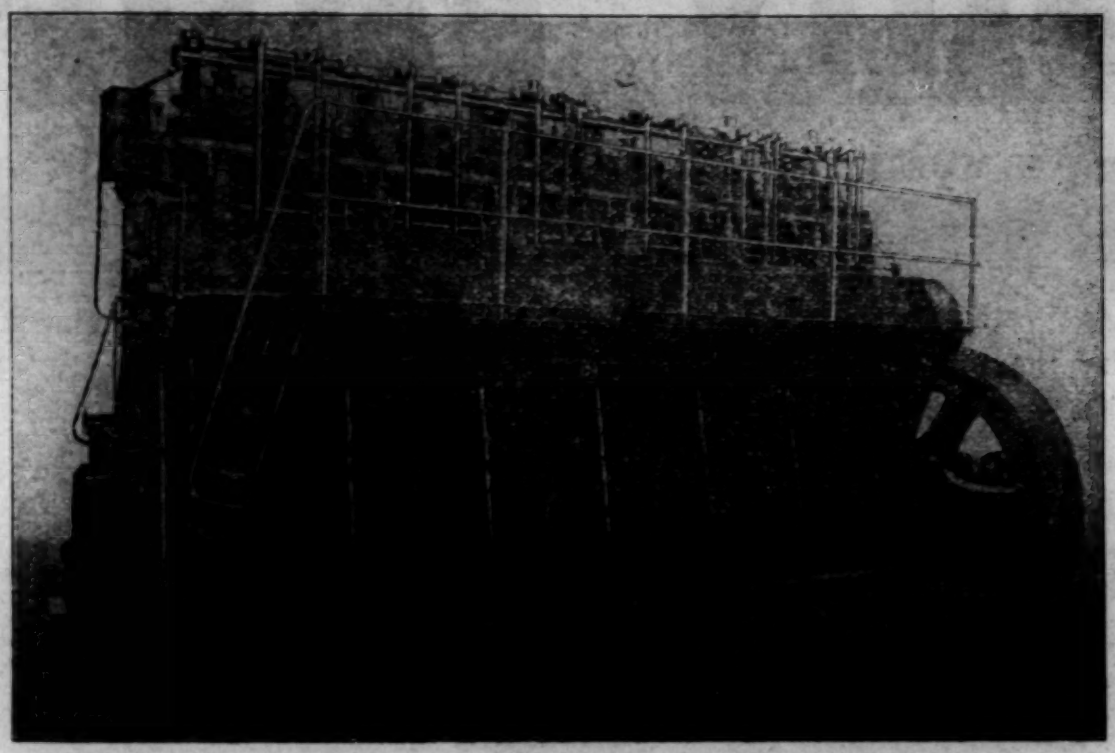

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THE RALLY OF RALLIES!

IT IS WORTHY of remembrance that on June 22-25, 1931, 194 (*one hundred and ninety-four*) stock Ford cars, the property of the Ford Dealers driving—then, travelled an aggregate distance of 334,930 milesin 72 consecutive hours, without an involuntary engine stop, over the public highways of Great Britain, Northern Ireland and The Irish Free State, absolutely without a hitch or falter.

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